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GENERAL PLAN

1995 - 2014

VOLUME III:

Economic, Demographic and Fiscal Analysis

Adopted February 15, 1996
by Town Council Resolution 96-08

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January 12, 1996

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PART 1
KEY ISSUES

CHAPTER 1

ECONOMIC AND FISCAL ISSUES

This chapter begins the analysis by discussing a number of issues, including alternative land uses. Many of the issues relate to fiscal and financial considerations and increasing the Town of Truckee's economic competitiveness within the regional economy. The issues have been organized into two distinct, but interrelated, categories: economic issues and fiscal issues.

1.1 Truckee Overview

The Town of Truckee has experienced significant employment, population and housing unit growth over the last 10 years. A number of favorable conditions have contributed to this growth. The Town is well positioned within the Truckee/Tahoe/Reno area. Truckee is located along Interstate 80, approximately 100 miles east of Sacramento near the California State boundary. In addition to Interstate 80, Truckee has highway access north and south via highways 89 and 267. In addition AMTRAK rail and Greyhound bus transportation is available in the Town. Air transportation is available from Reno/Tahoe International Airport, 35 miles east of Truckee. The local Truckee-Tahoe Airport along Highway 267 provides facilities for small aircraft and cargo business.

**Town of Truckee
Economic and Demographic Summary Data**

| | Historic Levels | | Projected Levels |
|---|-----------------|--------|------------------|
| | 1985 | 1995 | 2015 |
| Total Employment | 3,401 | 5,225 | 8,109 |
| Total Population | 7,226 | 11,791 | 17,253 |
| Total Housing Units | 5,225 | 9,039 | 13,271 |
| Source: Stanley R. Hoffman Associates, Inc. | | | |

The Town of Truckee has taken advantage of its location in the Truckee/Tahoe/Reno area and successfully demonstrated the Town's attractiveness to visitors and permanent residents. The Town offers a wide variety of summer and winter recreational opportunities and quality of life amenities which can be enhanced through continued provision of good levels of public service and infrastructure development to attract year-round residents upon which a strong economic base can be built.

Housing Growth. Over the period from 1985 to 1995, the estimated number of dwelling units in Truckee grew from 5,225 to 9,039. This represents nearly an increase of about 73 percent. Truckee has a high rate of home ownership, with nearly two-thirds of the

housing stock being owner-occupied. However, over 50 percent of the housing units in Truckee are used only seasonally. Housing is projected to grow to 13,271 units by 2015.

Population Growth. Population is estimated to have increased from 7,226 in 1985 to 11,791 in 1995. Population projections are based on historic trends of employment to population, and population to housing units. Population is projected to expand from its current estimated level of 11,791 to 17,253 by 2015.

Employment Growth. Truckee job base grew rapidly during the last 10 years. According to the consultant's database, jobs in Truckee expanded at an annual average rate of about 4.4 percent from 1985 to 1995, from about 3,401 in 1985 to an estimated 5,225 by 1995. Employment is projected to expand to 8,109 by 2015. The Truckee economy shows a preponderance of local serving employment because Truckee serves as a trade center for a large trading hinterland and receives additional demand through travel and tourism. The Truckee area has not been a center for basic jobs because of its remote location, higher costs of construction and operation and lack of a large labor force.

**Town of Truckee
Employment Growth: 1985 - 2015**

| Employment Category | Historic Levels | | Projected Level | Historic Growth | Projected Growth |
|---|-----------------|--------------|-----------------|-----------------|------------------|
| | 1985 | 1994 | 2015 | 1985-1994 | 1994-2015 |
| Basic Manufacturing | 78 | 162 | 359 | 84 | 197 |
| Basic Non-Manufacturing | 500 | 727 | 1,009 | 227 | 282 |
| Local Serving | 2,823 | 4,155 | 6,741 | 1,331 | 2,586 |
| Total Employment | 3,401 | 5,044 | 8,109 | 1,642 | 3,065 |
| Source: Stanley R. Hoffman Associates, Inc. | | | | | |

Local serving jobs represent over 80 percent of the total jobs in the Town of Truckee. The largest shares of local serving jobs in Truckee are in the retail trade, local government and construction sectors. Retail trade establishments are engaged in selling merchandise to the general public for personal or household consumption. Local government jobs are primarily those associated with the Town, special districts and the school district. Construction includes building construction by general contractors or operative builders, heavy construction, and special trade contractors.

The following table shows that the Town of Truckee captured 17.7 percent of the job growth within Nevada County over the 1985 to 1994 period. Truckee captured 18.8 percent of the County's growth in basic manufacturing and 18.7 percent of the County's growth in local serving employment over the 1985 to 1994 period. Truckee's share of the County's basic non-manufacturing growth over the same period was 13.5 percent.

**Town of Truckee
Share of Nevada County**

| Employment Category | Share of Jobs | | Share of Growth |
|-------------------------|---------------|-------|-----------------|
| | 1985 | 1994 | 1985-1994 |
| Basic Manufacturing | 3.6% | 6.2% | 18.8% |
| Basic Non-Manufacturing | 16.2% | 15.2% | 13.5% |
| Local Serving | 20.5% | 19.9% | 18.7% |
| Total Employment | 17.9% | 17.8% | 17.7% |

Nevada County is projected to add jobs at a faster average annual rate over the 1994 to 2015 period than over the past ten years, 7.2 percent annually for 1994 to 2015, compared with 4.9 percent annually over the 1984 to 1994 period. Truckee is projected to add jobs at the average annual rate of 6.7 percent from 1994 to 2015, growing from an employment base of 5,044 in 1994 to a projected employment of 8,109 in 2015.

While the Town is viewed as undergoing transition to support more manufacturing and other basic employment activities, the local serving employment sectors are still expected to account for the bulk of job growth. As was shown above, an additional 2,586 local serving jobs are projected over the 1994 to 2015 period. The most important categories of local serving employment will be retail trade, local government, self employed and construction.

While the Town wishes to accommodate more basic jobs, there is a recognized need to maintain the Town's high standard of community development and quality of life. The provision of a range of housing opportunities to attract business and meet general plan goals must be included in the Town's economic development strategy. Existing and future residents of Truckee will benefit from economic development in a number of ways. Economic development will provide a wider range of job opportunities for individuals, and will also contribute financial resources to improve the quality of life in Truckee.

1.2 Economic Issues

Issue Statement

How can Truckee accommodate projected employment growth while providing a diversity and balance of development, employment and housing opportunities?

Description of Options

Defining Market Segments for Employment Centers. Under this alternative, the Town would define roles or niches for each employment center in the Town. Potential types of employment centers may include:

- Expansion and enhancement of retail space in the historic commercial core
- Continued support of Downtown development for civic uses, mixed use, cultural facilities, government offices and attached housing
- Promote tourism and recreation through destination resort development
- Promote retail development to meet broader retail demand, especially in general merchandise categories
- Promote upscale garden office employment center near residential development to attract regional serving activities
- Promote industrial development with a range of lot sizes which could accommodate single users or multi-tenant developments and take advantage of the highway, rail and air accessibility of Truckee
- Promote additional manufacturing opportunities for resource based industries
- Accommodate commercial recreation uses, focusing on the many recreation activities in the Truckee area

Meeting a Range of Housing Demands. The Town would review designations for housing development and evaluate the residential mix in terms of meeting future demand, including housing of the following types:

- Well-planned, high-quality attached ownership and rentership housing
- Large lot and executive homes
- High density developments adjacent to employment centers, shopping, transit facilities and community services

Planning for Mixed-Use Developments. The Town should apply mixed-use concepts to generate additional market support for its employment centers. Based on Urban Land Institute standards, mixed-use developments include three or more income-generating land uses, such as office, retail and hotel. Mixed-use developments could be integrated with circulation plans and adjacent developments to reduce automobile dependency.

Implications

Defining Market Segments for Employment Centers. By clearly defining a role, image and market segment for each employment center, Truckee can reduce unnecessary competition, serve a wider range of new businesses and provide diversity and mixed-use development opportunities in the Town.

Meeting a Range of Housing Demands. By providing diversity in the housing market, Truckee will meet requirements associated with the Housing Element, will enhance the potential to attract business, and increase economic opportunities for Truckee residents.

Planning for Mixed-Use Developments. Mixed-use development would be appropriate in providing a diversity in the Town's employment centers. This development type may also provide attractive locations for attached housing. Service provision to mixed-use developments may be facilitated and Town revenue generation enhanced.

Recommendation

The Town should develop a marketing strategy and economic development element geared toward diversification, specifically identifying retail and industrial types and resort developments most suited to Truckee.

1.3 Fiscal Issues

Issue Statement

How can Truckee best plan its future development and implement policies to achieve fiscal viability?

Service Provision

The Town of Truckee provides services in the areas of police protection, streets and drainage maintenance, snow removal, community development, animal control and general government services. Fire protection and ambulance service is provided by the Truckee Fire Protection District, which is a special district of Nevada County. The Truckee-Donner Recreation and Park District (T-DR&PD) provides recreation programs and services, and operates and maintains park and recreation facilities. The Truckee Fire Protection District and the T-DR&PD receive property tax revenues, grants, parcel assessments, user fees and subdivision fees. This discussion focuses on the fiscal viability of the Town and does not address the fiscal viability of the special districts.

Truckee currently maintains a high level of service provision to residents and businesses. The Town's future growth will require significant additional Town services, but will also bring the potential for increased revenue generation. In addition to the ongoing service requirements, the Town faces needs for major capital improvements; which are being addressed through a variety of implementation techniques.

Truckee's Existing Fiscal Balance

The 1994-1995 Estimated Actual Budget shows a fiscal balance after transfers of revenues from the impact fee fund. An analysis of the budget in terms of annual recurring revenues and costs for maintenance and operations shows the following results.

The Truckee Revenue Base. Truckee receives most of its operations revenues from the following six sources:

| | <u>Percent of Budget Revenues</u> |
|---|-----------------------------------|
| Property tax | 35.9% |
| Sales and use tax | 22.1% |
| State gasoline tax | 10.2% |
| Transient occupancy tax | 9.1% |
| Motor vehicle license fees | 9.1% |
| Special service area revenue | <u>4.9%</u> |
| Percentage from Top Six Revenue Sources | 91.3% |

This revenue analysis is based on ongoing revenues, and does not include one-time revenues, such as building permits, planning and inspection fees which are levied one-time only, and are intended to cover service costs.

Service Cost Requirements. In terms of service costs, the direct costs associated with police protection, snow removal, contribution to reserves, general government overhead and streets maintenance account for most costs.

| | <u>Percent of Budget Expenditures</u> |
|------------------------------|---------------------------------------|
| Police protection | 27.7% |
| Snow removal | 18.1% |
| Contribution to reserves | 17.5% |
| General government overhead | 14.7% |
| Streets maintenance | <u>11.9%</u> |
| Percentage of Top Five Costs | 89.9% |

Fiscal Characteristics of Different Land Uses. Land uses have varying fiscal characteristics in terms of revenue and cost generation. However, fiscal interdependencies must also be considered when evaluating land use mixes for the General Plan.

Residential. Residential land uses typically create the highest service demands, creating additional needs for police and fire protection, and other city services. However, residential land uses also generate significant population-based revenues such as motor vehicle license fees, and state gasoline taxes. While these population-based revenue sources may partially compensate for increased service demands, residential development alone may often generate a negative fiscal impact.

Retail Development. Shopping centers and other retail developments generate sales tax revenues for the Town of Truckee equal to 1.00 percent of taxable sales. While retail developments can create some demands for public safety and public services, revenues generated typically exceed costs by a substantial margin.

Lodging. Hotel, motel and bed and breakfast uses generate transient occupancy taxes based on room rental revenues, and are fiscally very positive. The Town also receives transient occupancy tax revenues rentals of second homes and cabins.

Employment. Employment land uses include office developments, business parks, and industrial, manufacturing and warehouse uses. The major revenue sources for employment land uses are property taxes and business license taxes. However, the Town of Truckee does not currently have a business license tax. Without an additional revenue source, such as sales tax, employment land uses often have a fiscally neutral impact on the Town. However, some manufacturing and warehouse land uses can also generate significant sales taxes.

Economic Interdependence of Land Uses. Independently, different land use types produce a diverse range of fiscal impacts. However, different land uses are economically dependent upon each other, resulting in the need for a balance of land uses. Some of these economic interdependencies include:

Housing and employment. Housing availability and community amenities are emerging as a key component in attracting business to an area.

Employment and lodging. The non-destination lodging industry relies on employment generated by industrial and business park land uses. In addition, a segment of the demand for lodging is also generated by visitors.

Residential and retail. Local population generates the majority of the demand for community and neighborhood retail, as well as a significant portion of the demand for regional retail.

Land Development Phasing Criteria. In addition to the mix of land use types, consideration needs to be given to the phasing of land uses such that revenue streams are in place to expand services to new development. For capital needs, consideration must be given to the capacity of existing and new development to incur debt to provide for infrastructure improvements in a timely manner.

Description of Options

The Land Use Alternatives and Fiscal Balance. The Town has identified four land use alternatives for the general plan:

- Draft General Plan
- High Volume/Discount Retail Alternative
- Low Growth Alternative
- No Project Alternative

These land use alternatives are described in detail in Chapters 6 and 7 of this report.

As shown in the table below, the year 2015 projection is the same for the Low Growth Alternative and the Draft General Plan. The High Volume/Discount Retail Alternative results in higher employment totals for the year 2015. The year 2015 development under the No Project Alternative essentially assumes buildout of an additional 4,000 housing units and an additional 45,000 square feet of entitled commercial and industrial development. Employment in 2015 for the No Project Alternative is projected at 5,368, significantly below the other three alternatives.

**Town of Truckee General Plan
Alternative Development Descriptions: Year 2015**

| | Draft General Plan | High Volume/ Discount Retail Alternative | Low Growth Alternative | No Project Alternative |
|--------------------------------|-------------------------------|---|-----------------------------------|-----------------------------------|
| Population (persons) | 17,253 | 17,253 | 17,253 | 17,751 |
| Housing Units (dwelling units) | 13,271 | 13,271 | 13,271 | 13,039 |
| Employment (jobs) | 8,109 | 8,505 | 8,109 | 5,368 |

Source: Stanley R. Hoffman Associates, Inc.

The table below shows the projected land uses at buildout for the alternatives. The development proposed for the Low Growth Alternative would result in 545 fewer housing units and 660 fewer people than the housing units and population projected under the Draft General Plan and the High Volume/Discount Retail Alternatives. Some 1,150 fewer jobs are projected under the Low Growth Alternative than under the Draft General Plan. At buildout, the High Volume/Discount Retail Alternative represents a different mix of the total commercial square feet projected than that projected under the Draft General Plan, and results in only a slight increase in employment. Finally, the No Project Alternative projection is the same at buildout as in 2015.

**Town of Truckee General Plan
Alternative Development Descriptions at Buildout**

| | Draft General Plan | High Volume/ Discount Retail Alternative | Low Growth Alternative | No Project Alternative |
|--------------------------------|-------------------------------|---|-----------------------------------|-----------------------------------|
| Population (persons) | 22,500 | 22,500 | 21,840 | 17,751 |
| Housing Units (dwelling units) | 17,620 | 17,620 | 17,075 | 13,039 |
| Employment (jobs) | 13,480 | 13,609 | 12,330 | 5,368 |

Source: Stanley R. Hoffman Associates, Inc.

Projected Fiscal Balance in 2015. The alternative projections in 2015 all result in positive fiscal outcomes, as shown below.

**Town of Truckee General Plan
Projected Fiscal Impacts of Alternatives: Year 2015
(In Constant 1994-1995 Dollars)**

| | Draft General Plan | High Volume/ Discount Retail Alternative | Low Growth Alternative | No Project Alternative |
|------------------------------|-------------------------------|---|-----------------------------------|-----------------------------------|
| Recurring Revenues | \$10,073,123 | \$10,534,528 | \$10,073,123 | \$9,150,651 |
| Recurring Costs | \$7,449,162 | \$7,476,989 | \$7,449,162 | \$7,577,511 |
| Net Annual Recurring Surplus | \$2,623,961 | \$3,057,539 | \$2,623,961 | \$1,573,140 |
| Revenue/Cost Ratio | 1.35 | 1.41 | 1.35 | 1.21 |

Source: Stanley R. Hoffman Associates, Inc.

Projected Fiscal Balance at Buildout. Buildout of all land use alternatives results in substantially positive fiscal outcomes. As shown below, the net surplus at buildout ranges from \$6.15 million for the Low Growth Alternative to \$6.92 million for the Draft General Plan and \$7.14 million for the High Volume/Discount Retail Alternative; with revenue/cost ratios of 1.66, 1.72 and 1.74.

The major difference between the alternatives is that more sales and use tax is generated under the Draft General Plan and the High Volume/Discount Retail Alternative. Commercial retail and mixed use categories constitute a critical component in the generation of future fiscal surpluses for these alternatives, particularly in the downtown commercial area and for specialty and regional retail opportunities. These alternatives also constitute an increase and a diversification of other non-residential land uses, including the industrial base and the commercial and resort hotel market.

The No Project Alternative is also fiscally positive, with its buildout fiscal projection the same as for 2015. A projected recurring surplus of \$1.57 million, with a revenue/cost ratio of 1.21 is projected for the No Project Alternative. Property tax and population based revenues from residential land uses are the critical components of the No Project Alternative. Sales and use tax revenues generated by commercial retail and other non-residential land uses represent a smaller share of total projected revenues than the share they represent in Truckee's 1995 total estimated revenues.

**Town of Truckee General Plan
Projected Fiscal Impacts of Alternatives at Buildout
(In Constant 1994-1995 Dollars)**

| | Draft General Plan | High Volume/ Discount Retail Alternative | Low Growth Alternative | No Project Alternative |
|------------------------------|-------------------------------|---|-----------------------------------|-----------------------------------|
| Recurring Revenues | \$16,550,705 | \$16,789,746 | \$15,522,736 | \$9,150,651 |
| Recurring Costs | \$9,633,530 | \$9,646,129 | \$9,368,204 | \$7,577,511 |
| Net Annual Recurring Surplus | \$6,917,175 | \$7,143,618 | \$6,154,531 | \$1,573,140 |
| Revenue/Cost Ratio | 1.72 | 1.74 | 1.66 | 1.21 |

Source: Stanley R. Hoffman Associates, Inc.

Additional Revenue Sources. While new revenue sources to towns are limited, the potential sources, identified by the Town include utility user taxes, business license tax, a redevelopment property tax increment to finance infrastructure and public facilities in downtown and selected fees and charges. The Town may also want to encourage collection of transient occupancy tax for private rentals of second homes.

Service Cost Management Approaches. Management approaches to service costs may include cost reduction through consolidation of various agencies and special districts.

Implications

The Overall Land Use Mix and Fiscal Balance. The land use alternatives for the general plan include a strong component of retail, visitor-oriented and employment land uses. Achieving such a mix in a realistic manner will involve defining maximum opportunities related to transportation improvements; the proximity to highway, rail and air facilities; recreational and tourism opportunities; and important quality of life attractors.

The Phasing of Development and Fiscal Balance. Phasing the types of development to achieve fiscal balance may be necessary to enable the Town to provide adequate services. The Town may need to monitor the fiscal balance as development occurs.

Additional Revenue Sources. Tax increases will always be difficult to enact, particularly since they are likely to require at least a majority vote of the electorate. Fee increases, however, can be continually updated to reflect actual Town costs. The Town needs to annually review and adjust revenue programs based on capital and operations and maintenance needs and economic and political feasibility.

Service Cost Management Approaches. It is likely that service cost management approaches, including consolidation, will continue to be explored and applied by local governments in California. Government restructuring will probably be dramatic over the next several years, and Truckee needs to anticipate and prepare for these changes.

Recommendations

The General Plan must accommodate employment opportunities and retail opportunities which would benefit from the Town's accessibility to the major highways and proximity to major recreational and other quality of life attractions. Included in these opportunities should be a focus on the economic strengthening of the downtown.

The Town should explore development standards which will promote compact, mixed-use developments to provide diversity, economic advantages and linkages with the transportation system.

In its Land Use Element, the Town should consider methods to assure the phasing of land uses to maximize the Town's fiscal liquidity and flexibility. The Town may also consider phasing criteria related to portions of its Sphere of Influence, particularly outlying areas, to avoid premature development and costly extensions of Town services. Each of the proposed General Plan Alternatives evaluated, with the exception of the No Project Alternative, achieves such a mix.

The Town may want to consider a business license tax that is reasonable and economically feasible, particularly as it impacts local businesses. The business license tax can also be a source of economic information that is useful for planning purposes.

The Town's land use policy, economic development strategy and marketing strategy should be integrated and coordinated. The strategy should include ongoing monitoring of the Town's fiscal balance to assure a mix of land uses that achieve fiscal viability.

1.4 Capital Facilities Financing Issues

Issue Statement

How can Truckee best improve and maintain necessary capital facilities?

Necessary Improvements

Truckee's need for improved capital facilities have been quantified in the area of road improvements. A recent report by the Road Improvement Committee to the Town Council estimated that the costs to improve the roads in the Town were \$15.9 million, based on engineering studies. There is also a need to provide an ongoing and equitable snow removal system. A brief discussion of the options and recommended alternative for the financing of road improvements and snow removal is presented.

The Town currently operates from rented office space and rents space for the animal shelter. The Town's corporation yard is also inadequate. Cost estimates for improvements to these facilities are not currently available. Because this analysis is prepared at a general plan level, no repayment analysis or recommended financing

strategy is presented for these capital facilities, however a description of financing options and implications for these and other capital facility improvements is presented.

Road Financing

The Truckee Road Improvement Committee has recommended a combination financing strategy for road restoration and ongoing maintenance. The Committee assumes that with community adoption of this recommended policy, snow removal activities will be funded entirely by the Town General Fund. The Committee recommendations include a \$15.9 million bond issue for road restoration purposes accompanied by a 0.5 cent local sales tax to provide for ongoing road maintenance. Under the recommended alternative, an annual assessment of \$133 per residential unit and \$0.099 per commercial and industrial square foot is estimated for repayment of the bond over a period of fifteen (15) years. The additional sales tax of 0.5 percent would also be added to all taxable purchases in Truckee for the long term road maintenance programs.

General Financing Techniques

The following general financing techniques can be used for a variety of Town facilities, as well as facilities of other agencies.

Options

Pay-as-You-Go. This financing approach involves direct financing of facilities and services in direct relationship to the needs of each development project as it occurs. Examples of pay as you go financing include developer impact fees (DIFs), growth impact fees and traffic mitigation fees which can be implemented subject to Government Code §66000 et seq. (AB1600). While discussion of financing mechanisms is premature at this time, the use of sinking funds to allow improvements to be made on a pay-as-you-go basis has been discussed by Town staff. A strong fiscal base for Truckee may enable pay-as-you-go funding from Town annual surpluses.

Pay-as-you-go financing is often favored by property owners and developers, since payments are not required until development occurs.

Special Tax Funding. This approach relies upon a single mechanism for funding of capital facilities and services, such as a Mello-Roos Community Facilities District (CFD). The CFD can issue bonds to be repaid through annual special taxes, and can also levy one-time special taxes which can support pay as you go funding of facilities.

Mello-Roos bonds can be used for a wide range of public facilities, including many which cannot be funded through assessment bonds. These facilities include libraries, fire stations, schools and Town facilities such as a corporation yard or Town Hall.

Assessments. Assessments on property can be structured under the Municipal Improvement Act of 1913 and the Improvement Bond Act of 1915 (1913/1915 Acts) and the Landscape and Lighting Assessment Act of 1972.

Assessment bonds are limited to facilities for which special benefits can be attributed to specific parcels. These facilities include roads, water, sewer and landscaping.

Assessments may be less favored by property owners and developers than developer impact fees, because assessments are levied upon adoption of proceedings. Thus they are levied equally upon all property, whether development is imminent, or not contemplated until far in the future.

General Obligation Bonds. General obligation bonds would be backed by the full faith and credit of the Town. They could be funded by general fund surpluses. General obligation bonds would require a two-thirds majority approval of Town voters.

General obligation bonds would be appropriate for Town-wide facilities, such as a Town Hall or corporation yard. If funded through general fund surpluses, general obligation bonds would have no direct tax or fee impacts on residents, businesses, property owners and developers.

Recommendation

It is likely that as the General Plan is implemented a number of specific financing techniques will be applied. It is important that these techniques be designed as part of an explicit financing strategy, considering the interests of the property owners, future residents and businesses, the Town of Truckee and other service providing agencies.

A determination of detailed financing requirements and programs for timely funding of improvements should be part of the financing strategy. This will include funding levels, method of funding, nature and extent of public fiscal commitments, if any, and other aspects of funding provisions.

PART 2

ECONOMIC AND DEMOGRAPHIC ANALYSIS

CHAPTER 2

ECONOMIC AND DEMOGRAPHIC DATABASE

This chapter presents the economic and demographic database for the Town of Truckee General Plan. Section 2.1 provides the population, housing and labor force characteristics. Included in this section is a regional overview of the Town of Truckee. Population and housing growth trends for the 1980 to 1990 period are presented for Nevada County and the jurisdictions within the County. Current estimates for population and housing are then presented. A comparison of key 1990 demographic information for the Town of Truckee, the Truckee Environs, the Truckee Area of Concern and Nevada County is included as part of the regional overview.

Section 2.1 also presents detailed 1980 and 1990 population, housing, and household characteristics for the Town of Truckee and the Truckee Environs. Detailed 1990 income and labor force information is also presented for these two areas.

Section 2.2 presents the economic and employment database. Historical trends of employment by industry for Nevada County and the Town of Truckee are presented. In addition, this section includes current estimates of employment by industry.

Regional Setting

The Town of Truckee was incorporated in March 1993. The Town of Truckee is located in Nevada County, along Interstate 80 near the California State boundary. The Town's southern boundary is coterminous with the Placer County boundary. The Town is 12 miles northwest of the Placer County community of Kings Beach, which lies along the northern shore of Lake Tahoe via Highway 267. The Northstar resort is on Highway 267 approximately 6 miles south of Truckee. The Squaw Valley and Alpine Meadows resorts in Placer County lie about 10 miles south of the Town along Highway 89. The City of Reno, Nevada is approximately 35 miles to the east of the Town of Truckee and Sacramento is approximately 100 miles to the west.

2.1. Population, Housing and Labor Force Characteristics

Demographic information from the 1980 and 1990 Censuses and the California Department of Finance (DOF) Demographic Research Unit is not available at a town level for Truckee because Truckee did not become incorporated until March 1993. Therefore, a geographic description of the Town of Truckee and surrounding areas of interest in terms of census tracts is necessary to adequately describe the population, housing and labor force characteristics. Census geography is used because of data availability, and are not meant to depict any future boundaries of Truckee. These future boundaries will be based on political and economic factors.

A visual depiction of the Town of Truckee and the Truckee Environs is shown in Figure 1. The Town boundary closely approximates the summation of Census Tract 12.01 and Census Tract 12.02, excluding Block Group 2 of Census Tract 12.02 from the 1990 Census. The 1980 Census description of the Town of Truckee includes Census Tract 12.

The Truckee Environs area is outside the current Town boundary and is closely related to the Town of Truckee in terms of daily interactions between the two areas. The Truckee Environs is defined as Block Group 2 of Census Tract 12.02 and Census Tract 11 from the 1990 Census. The 1980 Census definition of the Truckee Environs includes Census Tract 11 only.

In addition to the above areas, some key 1990 demographic information is also presented for the Truckee Area of Concern. The Truckee Area of Concern is the area to the south of the Town in Placer County and is defined as Census Tract 220.01 in Placer County. Growth and development in this area, which includes Martis Valley, impacts the Town of Truckee.

The following regional overview presents comparisons of population and housing for 1980 and 1990 for the jurisdictions within Nevada County. A comparison of key 1990 characteristics for the Town of Truckee, the Truckee Environs and the Truckee Area of Concern with Nevada County will then be presented. Northwest Lake Tahoe is also discussed in terms of its potential impact on retail demand in Truckee. Detailed demographic information for the Town of Truckee and the Truckee Environs follows the regional overview.

2.1.1 Regional Overview

Population and Housing Unit Growth

Table 2-1 presents the 1980 and 1990 Census population for the current jurisdictions within Nevada County and the unincorporated area of the County. There are currently three incorporated areas in the County of Nevada. The incorporated cities of Grass Valley and Nevada City were joined by Truckee which incorporated in March 1993.

Nevada County grew significantly over the 1980 to 1990 period. The population increased by 26,865 persons and the total housing stock increased by 12,593 units over this period. This growth represents an average annual growth rate of 4.3 percent for population and 4.2 percent for housing units.

The Town of Truckee experienced a faster growth rate in both population and housing units during the 1980s than the County, the unincorporated area of the County and Grass Valley and Nevada City. Truckee and Nevada City experienced average annual housing growth rates that were higher than their average annual growth rates for population.

FIGURE 1
TOWN OF TRUCKEE, TRUCKEE ENVIRONS
and AREA OF CONCERN

This topographic map illustrates the geographical context of the Truckee area. The **Town of Truckee** is delineated by a dotted line, encompassing the town of Truckee and the nearby community of Martis. The **Truckee Environs** are indicated by a hatched pattern, extending to the surrounding mountainous terrain. The **Area of Concern** is marked with a thick, solid black line, covering a large portion of the region, including the town and its environs, and extending into the surrounding wilderness. The map also shows the **National Forest** to the west and south, and **North Lake Tahoe** to the east. Key features include the **Tahoe National Forest**, **Truckee River**, **Truckee Meadows**, and **Truckee Meadows**. The map includes a **KEY** in the bottom left corner, which defines the symbols used for the Town of Truckee, Truckee Environs, and Area of Concern. The map also shows the **Truckee River**, **Truckee Meadows**, and **Truckee Meadows**.

However, Truckee's average annual housing growth rate of 6.8 percent was considerably higher than the rates in the other jurisdictions in the County and higher than the Nevada County average annual growth rate of 4.2 percent.

When the Truckee area is included as part of the unincorporated County area, the unincorporated area increased in population by 24,090 people, based on a population of 42,517 in 1980 and a population of 66,607 in 1990. The increase in the Town of Truckee population, at 3,373 persons, represents approximately 14.0 percent of the unincorporated area population growth over the 1980 to 1990 period.

**TABLE 2-1
NEVADA COUNTY
POPULATION AND HOUSING UNIT GROWTH: 1980 TO 1990**

| Area | Population | | Housing Units | | 1980-1990 Change | | Average Annual Growth Rate | |
|----------------------|------------|--------|---------------|--------|------------------|---------------|----------------------------|---------------|
| | 1980 | 1990 | 1980 | 1990 | Population | Housing Units | Population | Housing Units |
| Grass Valley | 6,697 | 9,048 | 3,388 | 4,385 | 2,351 | 997 | 3.1% | 2.6% |
| Nevada City | 2,431 | 2,855 | 1,150 | 1,399 | 424 | 249 | 1.6% | 2.0% |
| Truckee ¹ | 5,539 | 8,912 | 3,577 | 6,932 | 3,373 | 3,355 | 4.9% | 6.8% |
| Unincorporated | 36,978 | 57,695 | 16,644 | 24,636 | 20,717 | 7,992 | 4.5% | 4.0% |
| County Total | 51,645 | 78,510 | 24,759 | 37,352 | 26,865 | 12,593 | 4.3% | 4.2% |

Note 1: Truckee is defined as the summation of Census Tracts 12.01 and 12.02, excluding Block Group 2 of Census Tract 12.02 in 1990, and Census Tract 12 in 1980.

Source: Stanley R. Hoffman Associates, Inc.
1980 Census, "Detailed Characteristics, Census Tract 12.
1990 Census, "Summary Tape File 3A", Census Tract 12.01 and Census Tract 12.02, excluding Block Group 2 of Census Tract 12.02.

Housing unit growth for the unincorporated area of the County with the Truckee area included as part of the unincorporated County area shows an increase of 11,347 units, from 20,221 units in 1980 to 31,568 in 1990. The 3,355 housing units that were added to Truckee over the 1980 to 1990 period represent 29.6 percent of the total housing growth in the unincorporated area.

Residential Building Permit Trend Data

Table 2-2 presents seasonal data on residential building permits issued in Truckee for the 16-year period from fiscal year 1977-1978 through fiscal year 1992-1993. Over this period, residential building permits average 369 per year. In terms of seasonality, about 38 percent of permits are issued in the summer and 32 percent are issued in the spring. About 20 percent are issued in the months from October through December and only 9 percent are issued in winter months from January through March. This table illustrates

TABLE 2-2
TOWN OF TRUCKEE GENERAL PLAN
RESIDENTIAL BUILDING PERMITS
BY FISCAL YEAR AND QUARTER

| | Quarter | | | | Total for Fiscal Year |
|---------------------------|--------------------|----------------------|-------------------|----------------|-----------------------------|
| | July- September | October- December | January- March | April- June | |
| <u>Fiscal Year</u> | | | | | |
| 1977-1978 | 94 | 83 | 30 | 194 | 401 |
| 1978-1979 | 296 | 271 | 76 | 262 | 905 |
| 1979-1980 | 316 | 106 | 118 | 166 | 706 |
| 1980-1981 | 244 | 119 | 42 | 151 | 556 |
| 1981-1982 | 146 | 49 | 5 | 30 | 230 |
| 1982-1983 | 83 | 38 | 6 | 50 | 177 |
| 1983-1984 | 103 | 40 | 8 | 79 | 230 |
| 1984-1985 | 107 | 31 | 6 | 67 | 211 |
| 1985-1986 | 90 | 35 | 16 | 78 | 219 |
| 1987-1988 | 107 | 20 | 23 | 57 | 207 |
| 1988-1989 | 62 | 52 | 49 | 161 | 324 |
| 1989-1990 | 29 | 34 | 7 | 53 | 123 |
| 1990-1991 | 113 | 55 | 17 | 138 | 323 |
| 1991-1992 | 143 | 87 | 31 | 164 | 425 |
| 1992-1993 | 198 | 96 | 72 | 152 | 518 |
| 15-year Average | 142 | 74 | 34 | 120 | 370 |
| Percent by Quarter | 38.4% | 20.1% | 9.1% | 32.4% | 100.0% |

Source: Stanley R. Hoffman Associates, Inc.

Town of Truckee, Community Development Department, Building and Safety Division

the long-term strength of residential demand in Truckee, as well as the seasonal nature of the construction economy.

Current Population and Housing Estimates

Department of Finance (DOF) January 1, 1995 population and housing estimates for Nevada County jurisdictions, including the Town of Truckee, are presented in Table 2-3. These are the first estimates available for Truckee since incorporation.

Town of Truckee. As shown in Table 2-3, Truckee's population is estimated to have grown by 2,879 over the period from 1990 to 1995, representing an increase of about 32 percent. Over the same period, housing units expanded by 2,107, for an increase of about 30 percent.

**TABLE 2-3
NEVADA COUNTY
POPULATION AND HOUSING UNIT GROWTH: 1990 TO 1995**

| Area | Population | | Housing Units | | 1990-1995 Change | |
|----------------|------------|--------|---------------|--------|------------------|---------------|
| | 1990 | 1995 | 1990 | 1995 | Population | Housing Units |
| Grass Valley | 9,048 | 9,639 | 4,385 | 4,634 | 591 | 249 |
| Nevada City | 2,855 | 2,938 | 1,399 | 1,443 | 83 | 44 |
| Truckee | 8,912 | 11,791 | 6,932 | 9,039 | 2,879 | 2,107 |
| Unincorporated | 57,695 | 65,124 | 31,568 | 35,225 | 7,997 | 3,657 |
| County Total | 78,510 | 89,492 | 37,352 | 42,126 | 10,982 | 4,774 |

Source: Stanley R. Hoffman Associates, Inc.

California Department of Finance, Demographic Research Unit, Report E-8090, January, 1992; Report E-5, May 1995.

1990 Demographic Characteristics

Table 2-4 presents key 1990 demographic information for the Town of Truckee, the Truckee Environs, the Truckee Area of Concern and Nevada County.

- The Town of Truckee has 18.6 percent of the housing units in Nevada County and 11.4 percent of the County population.
- The Town of Truckee plus the Truckee Environs represents 21.0 percent of the Nevada County housing units and 12.0 percent of the County population.
- The Town of Truckee has a higher percentage of occupied housing units than does the Truckee Environs and the Truckee Area of Concern. However, at 47.2 percent, this percentage is far below the 82.4 percent occupancy rate in Nevada County.

- Owner-occupied housing units represent 30.8 percent of all housing units in the Town of Truckee. This percentage is half of the ratio of owner-occupied housing units in Nevada County and higher than the ratio of owner-occupied units in the Truckee Environs and the Truckee Area of Concern.
- The Town of Truckee, the Truckee Environs and the Area of Concern have very high vacancy rates when compared with Nevada County. These vacancy rates are indicative of the large number of seasonal housing units in these areas. Truckee's vacancy rate of 52.8 percent is considerably lower than the 79.0 percent vacancy rate in the Truckee Environs and the 69.1 percent vacancy rate in the Area of Concern.

TABLE 2-4
TOWN OF TRUCKEE, TRUCKEE ENVIRONS, TRUCKEE AREA OF CONCERN
AND NEVADA COUNTY
1990 DEMOGRAPHIC CHARACTERISTICS

| | Town of Truckee | | Truckee Environs | | Area of Concern | | Nevada County | |
|--------------------------------|------------------|---------|------------------|---------|------------------|---------|------------------|---------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Housing Units | | | | | | | | |
| Owner-Occupied | 2,134 | 30.8% | 126 | 13.7% | 1,207 | 24.1% | 22,886 | 61.3% |
| Renter-Occupied | 1,137 | 16.4% | 67 | 7.3% | 343 | 6.8% | 7,872 | 21.1% |
| Vacant | 3,661 | 52.8% | 725 | 79.0% | 3,472 | 69.1% | 6,594 | 17.6% |
| Total | 6,932 | 100.0% | 918 | 100.0% | 5,022 | 100.0% | 37,352 | 100.0% |
| Total Population | 8,912 | | 508 | | 4,013 | | 78,510 | |
| Population Per Dwelling Unit | 1.28 | | 0.55 | | 0.80 | | 2.10 | |
| Population Per Household | 2.70 | | 2.26 | | 2.57 | | 2.51 | |
| Per Capita Income | \$17,468 | | \$29,485 | | \$18,175 | | \$15,760 | |
| Median Household Income | \$40,012 | | \$24,708 | | \$35,121 | | \$32,200 | |
| Median Housing Value | \$132,865 | | \$88,928 | | \$149,700 | | \$154,400 | |
| Median Rent | \$690 | | \$654 | | \$667 | | \$598 | |
| Unemployment Rate | 4.9% | | 16.9% | | 4.2% | | 6.1% | |

Source: Stanley R. Hoffman Associates, Inc.
1990 Census, "Summary Tape File 3A".

- The low number of persons per dwelling unit for Truckee, the Truckee Environs and the Area of Concern are also indicative of the large number of seasonal units in these areas. Truckee has 1.28 persons per dwelling unit, while the Area of Concern has 0.80 persons per dwelling unit and the Truckee Environs has 0.55 persons per dwelling unit. Nevada County has 2.10 persons per dwelling unit.
- When comparing households, or occupied housing units, with the other areas, Truckee has the highest population per household. At 2.70 persons per household, it is 0.19 higher than the 2.51 persons per household in Nevada County. Truckee's average household size is considerably higher than the 2.26 persons per household in the Truckee Environs.
- While Truckee's \$17,568 per capita income is higher than the County per capita income, it is comparable to the per capita income of \$18,175 in the Area of Concern and considerably lower than the \$29,485 per capita income in the Truckee Environs. Per capita income is calculated by dividing the total aggregate income reported by occupied housing units by the population of the area. The Truckee Environs high per capita income is a result of both the small number of occupied housing units in the Environs and the fact that some of the occupied housing units or households reported very high incomes. For such small samples, average income per person, or per capita income, can exceed median income per household if some very high income households pull up the average with relatively little effect on the median, or the midpoint of the distribution.
- Truckee has the highest median household income of the four areas, at \$40,012, some \$7,812 higher than the median household income for Nevada County. Truckee's median household income is \$15,304 higher than the median household income in the Truckee Environs and \$4,891 higher than the median household income in the Area of Concern. The median household income is the midpoint income in the distribution of household incomes.
- The Truckee median housing value is \$43,937 higher than the median housing value in the Truckee Environs, but it is \$21,535 below the median housing value for Nevada County and \$16,385 below the median housing value in the Area of Concern.
- Truckee has the highest median rent of the four areas, at \$690. Median rents in Nevada County are \$92 lower at \$598, while median rents in the Truckee Environs and the Area of Concern are \$36 and \$23 lower, respectively.
- The unemployment rate in the Area of Concern is the lowest of the four areas, at 4.2 percent unemployed civilian workers. The unemployment rate of 4.4 percent for the Town of Truckee is significantly lower than the County unemployment rate of 6.1 percent and far below the 16.9 percent unemployed in the Truckee Environs.

2.1.2 Town of Truckee

Table 2-5 summarizes population and housing unit growth over the 1980 to 1990 period for the Town of Truckee. Truckee experienced significant population growth over the past decade. As of the 1990 Census, the population of the Town of Truckee was 8,912, an increase of 60.9 percent from the 1980 population. This represents an average annual growth rate of 4.9 percent.

1990 Census data indicates that the housing stock increased 93.8 percent over the 1980 to 1990 period, from 3,577 to 6,932 dwelling units. The number of occupied housing units in 1990 was 3,271, an increase of 61.2 percent over the number of occupied housing units in 1980. The number of persons per occupied dwelling unit (household) decreased from 2.73 in 1980 to 2.70 in 1990.

**TABLE 2-5
TOWN OF TRUCKEE
HOUSING UNITS AND POPULATION: 1980 AND 1990**

| | 1980 | 1990 | 1980-1990 Change | 1980-1990 Average Annual Growth Rate |
|--|-------|-------|---------------------|---|
| Total Housing Units | 3,577 | 6,932 | 3,355 | 6.8% |
| Occupied units | 2,029 | 3,271 | 1,242 | 4.9% |
| Vacant units | 1,548 | 3,661 | 2,113 | 8.8% |
| Vacancy Rate | 43.3% | 52.8% | | |
| Total Population | 5,539 | 8,912 | 3,373 | 4.9% |
| Population per housing unit | 1.55 | 1.28 | -0.27 | |
| Persons per occupied unit (Household) | 2.73 | 2.70 | -0.03 | |

Source: Stanley R. Hoffman Associates, Inc.

1980 Census, "Detailed Characteristics, Census Tract 12.

1990 Census, "Summary Tape File 3A", Census Tract 12.01 and Census Tract 12.02, excluding
Block Group 2 of Census Tract 12.02.

The Truckee vacancy rate was 52.8 percent in 1990, an increase over the 43.3 percent vacancy rate in 1980. The high vacancy rate reflects the large number of units held for seasonal or other uses. Also reflective of the high number of vacant units is the low number of persons per dwelling unit, at 1.28 persons per unit in 1990.

The 1990 Truckee housing stock by unit type and tenure is shown in Table 2-6. Nearly 87.3 percent of the total housing stock is comprised of single-family units. Multi-family housing with five or more units is the second-most prevalent housing type, representing 5.3 percent of the total housing stock. Mobile homes and housing with two to four units

constitute 3.9 percent and 2.9 percent of the total housing stock, respectively. The remaining units are defined by the Census as "Other" and include living quarters such as railroad cars, campers and vans which are occupied as housing units.

Single family units comprise nearly the same percentage of both the owner-occupied and the vacant units at 91.8 percent and 91.6 percent, respectively. Single family units represent a smaller percentage of renter-occupied units at 65.1 percent of all renter-occupied units. While housing with five or more units is a very small percent of the owner-occupied housing, this unit type represents nearly 16 percent of renter-occupied units and 4.8 percent of vacant units.

Nearly two-thirds, approximately 65 percent, of the occupied housing stock is owner-occupied. The rate of homeownership in the Town of Truckee is higher than the homeownership rate of 55 percent for the State of California, according to the 1990 Census.

**TABLE 2-6
TOWN OF TRUCKEE
1990 HOUSING UNITS BY TENURE**

| Unit Type | Owner-Occupied Units | | Renter-Occupied Units | | Vacant Units | | Total | |
|---------------|----------------------|---------|-----------------------|---------|--------------|---------|--------|---------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Single-family | 1,959 | 91.8% | 740 | 65.1% | 3,354 | 91.6% | 6,053 | 87.3% |
| 2-4 | 14 | 0.6% | 119 | 10.5% | 67 | 1.8% | 200 | 2.9% |
| 5 or more | 13 | 0.6% | 181 | 15.9% | 174 | 4.8% | 368 | 5.3% |
| Mobile Homes | 138 | 6.5% | 74 | 6.5% | 60 | 1.6% | 272 | 3.9% |
| Other | 10 | 0.5% | 23 | 2.0% | 6 | 0.2% | 39 | 0.6% |
| Total | 2,134 | 100% | 1,137 | 100% | 3,661 | 100% | 6,932 | 100.0% |

Source: Stanley R. Hoffman Associates, Inc.
1990 Census, "Summary Tape File 3A", Census Tract 12.01 and Census Tract 12.02, excluding Block Group 2 of Census Tract 12.02.

Table 2-7 shows housing valuation for the Town of Truckee housing stock (note that the total owner- and renter-occupied units reporting valuation and contract rent, respectively, does not equal the total housing stock due to sampling.)

Two-thirds of owner-occupied units are valued at less than \$150,000, and the median housing value is \$132,865.

The majority of renters pay more than \$650 per month for rent. The median contract rent in the Town of Truckee is \$690.

TABLE 2-7
TOWN OF TRUCKEE
1990 HOUSING VALUE AND CONTRACT RENT

| Specified Owner-Occupied Units | | | Specified Renter-Occupied Units | | |
|--------------------------------|--------------------------|---------------------------|---------------------------------|--------------------------|----------------------------|
| Housing Value | Number of Occupied Units | Percent of Owner-Occupied | Contract Rent | Number of Occupied Units | Percent of Renter-Occupied |
| Less than \$75,000 | 55 | 3.2% | Less than \$350 | 126 | 11.7% |
| \$75,000-\$99,999 | 289 | 16.6% | \$350-\$399 | 69 | 6.4% |
| \$100,000-\$124,999 | 399 | 22.9% | \$400-\$449 | 65 | 6.0% |
| \$125,000-\$149,999 | 410 | 23.5% | \$450-\$499 | 56 | 5.2% |
| \$150,000-\$174,999 | 240 | 13.8% | \$500-\$549 | 30 | 2.8% |
| \$175,000-\$199,999 | 112 | 6.4% | \$550-\$599 | 89 | 8.2% |
| \$200,000-\$249,999 | 103 | 5.9% | \$600-\$649 | 75 | 7.0% |
| \$250,000-\$299,999 | 50 | 2.9% | \$650-\$699 | 47 | 4.4% |
| \$300,000-\$399,999 | 63 | 3.6% | \$700-\$749 | 83 | 7.7% |
| \$400,000-\$499,000 | 16 | 0.9% | \$750-\$999 | 301 | 27.9% |
| \$500,000 and more | 7 | 0.4% | \$1,000 and more | 138 | 12.8% |
| Total | 1,744 | 100.0% | Total | 1,079 | 100.0% |
| Median Housing Value: | \$132,865 | | Median Contract Rent: | \$690 | |

Source: Stanley R. Hoffman Associates, Inc.
19934)0 Census, "Summary Tape File 3A", Census Tract 12.01 and Census Tract 12.02, excluding Block Group 2 of Census Tract 12.02.

The distribution of population in terms of age is shown for 1980 and 1990 in Table 2-8. The age distribution of the Town's population is similar for 1980 and 1990. The largest age group in both years was the working age group of 19 to 64 years of age, with a very slight increase in this group's share of the total population from 1980 to 1990.

TABLE 2-8
TOWN OF TRUCKEE
POPULATION BY AGE GROUP: 1980 AND 1990

| Age Group | 1980 | | 1990 | |
|----------------------|-------|------------------|-------|------------------|
| | Total | Percent of Total | Total | Percent of Total |
| Pre-school (0-4) | 489 | 8.8% | 816 | 9.2% |
| School age (5-18) | 1,229 | 22.2% | 1,740 | 19.5% |
| Working age (19-64): | 3,643 | 65.8% | 5,883 | 66.0% |
| (19-34) | n/a | | 2,348 | 26.3% |
| (35-64) | n/a | | 3,535 | 39.7% |
| Senior (65 and over) | 178 | 3.2% | 473 | 5.3% |
| Total | 5,539 | 100.0% | 8,912 | 100.0% |

Source: Stanley R. Hoffman Associates, Inc.
1980 Census, "Detailed Characteristics, Census Tract 12.
1990 Census, "Summary Tape File 3A", Census Tract 12.01 and Census Tract 12.02, excluding Block Group 2 of Census Tract 12.02.

The only age group to experience a decline in their share of the total population was the school age group of 5 to 18 years, with a decline of 1.5 percent from 1980 to 1990. The 65 and over age group experienced the largest increase in share of the total population, from 3.2 percent of the total population in 1980 to 5.3 percent of the total population in 1990. The pre-school age group (0-4) showed a small increase of 0.4 percent from 1980 to their 1990 share of 9.2 percent of the total population.

Table 2-9 presents the race and ethnicity of the occupied households for the Town of Truckee for 1980 and 1990. The racial and ethnic composition of the Town of Truckee households is very similar in 1980 and 1990.

The 1990 Census showed a one percentage point decline in the share of the white households, with increases in the share of American Indian and Asian/Pacific Islander households.

The number of households identifying themselves as Spanish Origin households more than doubled between 1980 and 1990, from 80 to 172 households.

**TABLE 2-9
TOWN OF TRUCKEE
HOUSEHOLDS BY RACE AND ETHNICITY: 1980 AND 1990**

| | 1980 | | 1990 | |
|------------------------|-------|------------------|-------|------------------|
| | Total | Percent of Total | Total | Percent of Total |
| White | 1,972 | 97.2% | 3,147 | 96.2% |
| Black | 0 | 0.0% | 0 | 0.0% |
| American Indian | 13 | 0.6% | 59 | 1.8% |
| Asian/Pacific Islander | 9 | 0.4% | 27 | 0.8% |
| Other | 35 | 1.8% | 38 | 1.2% |
| Total | 2,029 | 100.0% | 3,271 | 100.0% |
| Spanish Origin | 80 | | 172 | |

Source: Stanley R. Hoffman Associates, Inc.
1980 Census, "Detailed Characteristics, Census Tract 12.
1990 Census, "Summary Tape File 3A", Census Tract 12.01 and Census Tract 12.02, excluding
Block Group 2 of Census Tract 12.02.

The educational attainment and income of the 1990 population for the Town of Truckee is presented in Table 2-10. Over two-thirds of the population had at least some college, with 34.2 percent of the population having 4 years of college and 6.6 percent of the population having more than 4 years of college. Less than 10 percent of the population had received no high school diploma.

The 1990 per capita income for the Town of Truckee was \$17,468 and the 1990 median household income was \$40,012.

**TABLE 2-10
TOWN OF TRUCKEE
1990 EDUCATION AND INCOME**

| | Total | Percent of Total |
|---|----------|------------------|
| Educational Attainment (persons 25+) | | |
| No high school diploma | 561 | 9.6% |
| High school | 1,168 | 20.0% |
| Some college | 1,730 | 29.6% |
| 4 Years college | 2,001 | 34.2% |
| 4+ years college | 386 | 6.6% |
| Total | 5,846 | 100.0% |
| Per capita income | \$17,468 | |
| Median household income | \$40,012 | |

Source: Stanley R. Hoffman Associates, Inc.
1990 Census, "Summary Tape File 3A", Census Tract 12.01 and Census Tract 12.02, excluding
Block Group 2 of Census Tract 12.02.

The labor force characteristics of the 1990 Truckee population are presented in Table 2-11. Some 78.5 percent of the population 16 years and over was in the labor force in 1990. Of the 5,218 persons in the labor force, 95.1 percent or 4,961 were employed.

**TABLE 2-11
TOWN OF TRUCKEE
1990 LABOR FORCE CHARACTERISTICS**

| | Total | Percent of Total |
|---|-------|------------------|
| Civilian Labor Force (persons 16+) | | |
| Not in the labor force | 1,433 | 21.5% |
| In the labor force | 5,218 | 78.5% |
| Total | 6,651 | 100.0% |
| Employed | 4,961 | 95.1% |
| Unemployed | 257 | 4.9% |
| Total | 5,218 | 100.0% |

Source: Stanley R. Hoffman Associates, Inc.
1990 Census, "Summary Tape File 3A", Census Tract 12.01 and Census Tract 12.02, excluding
Block Group 2 of Census Tract 12.02.

2.1.3 Truckee Environs

The Truckee Environs area extends beyond the Town boundary to the north and west. The Truckee Environs area is defined as Block Group 2 of Census Tract 12.02 and Census Tract 11. These census tract boundaries are used for analytical purposes, and do not represent political boundaries.

Table 2-12 presents 1980 and 1990 housing unit and population information for the Truckee Environs. A total of 832 housing units were added to the housing stock during the 1980s. This increase in the housing stock represents an average annual growth rate of 26.7 percent, much higher than the 6.8 percent average annual growth rate

experienced by the Town of Truckee over the same period. However, the high average annual growth rate for the Truckee Environs is attributable to the fact that the starting base of housing units in 1980 was very small.

The number of occupied housing units in the Truckee Environs increased by 140 over the 1980 to 1990 period. This 13.8 percent average annual growth rate is about half the growth rate of total housing units in the Truckee Environs, and much faster than the average annual occupied housing growth rate of 4.9 percent in the Town of Truckee.

The population in the Truckee Environs grew at an average annual rate of 12.5 percent over the 1980 to 1990 period. The persons per household decreased from 2.57 in 1980 to 2.26 in 1990, while the number of persons per dwelling unit decreased from 1.83 to 0.55 persons per unit.

The vacancy rate more than doubled over the 1980 to 1990 period in the Truckee Environs, reaching 79 percent by 1990. This clearly indicates the large number of seasonal housing units in the Truckee Environs.

**TABLE 2-12
TRUCKEE ENVIRONS
HOUSING UNITS AND POPULATION: 1980 AND 1990**

| | 1980 | 1990 | 1980-1990 Change | 1980-1990 Average Annual Growth Rate |
|---------------------------------------|-------|-------|---------------------|---|
| Total Housing Units | 86 | 918 | 832 | 26.7% |
| Occupied | 53 | 193 | 140 | 13.8% |
| Vacancy Rate | 38.4% | 79.0% | | |
| Total Population | 157 | 508 | 351 | 12.5% |
| Per Dwelling Unit | 1.83 | 0.55 | -1.28 | |
| Per Occupied Housing Unit (Household) | 2.57 | 2.26 | -0.31 | |

Source: Stanley R. Hoffman Associates, Inc.

1980 Census, "Detailed Characteristics, Census Tract 11.

1990 Census, "Summary Tape File 3A", Census Tract 11 and Block Group 2 of Census Tract 12.02.

Table 2-13 presents the housing units by type and tenure for the Truckee Environs. Single-family units comprise 68.1 percent of the total housing stock in the Truckee Environs compared with 87.3 percent of the total housing in the Town of Truckee being single-family units. According to the 1990 census, the Truckee Environs has a very large percentage of mobile home units, 20.0 percent compared with 3.9 percent in the Town. The third largest component of the Truckee Environs housing stock is the 5 or more unit type, which comprise 8.0 percent of the its total housing. The percentage of 2 to 4 units is slightly below the Town, 2.3 percent compared with 2.9 percent.

The distribution by unit type for the vacant housing stock in the Truckee Environs is very similar to the total housing unit-type distribution. However, the unit mix of the owner-occupied units and the renter-occupied is noticeably different from the total housing mix.

Single family units account for 95.2 percent of all owner-occupied units, with mobile homes being the only other unit type.

Single-family units are also the largest component of the renter-occupied housing stock, at 59.7 percent of all rental units. Rentals with 2 to 4 units and 5 or more units comprise 16.4 percent and 9.0 percent of all rentals. Other units are a significant component of the rental units, accounting for 14.9 percent of rentals.

**TABLE 2-13
TRUCKEE ENVIRONS
1990 HOUSING UNITS BY TENURE**

| Unit Type | Owner-Occupied Units | | Renter-Occupied Units | | Vacant Units | | Total | |
|---------------|----------------------|---------|-----------------------|---------|--------------|---------|--------|---------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Single-family | 120 | 95.2% | 40 | 59.7% | 465 | 64.1% | 625 | 68.1% |
| 2-4 | 0 | 0.0% | 11 | 16.4% | 10 | 1.4% | 21 | 2.3% |
| 5 or more | 0 | 0.0% | 6 | 9.0% | 67 | 9.2% | 73 | 8.0% |
| Mobile Homes | 6 | 4.8% | 0 | 0.0% | 178 | 24.6% | 184 | 20.0% |
| Other | 0 | 0.0% | 10 | 14.9% | 5 | 0.7% | 15 | 1.6% |
| Total | 126 | 100% | 67 | 100% | 725 | 100% | 918 | 100.0% |

Source: Stanley R. Hoffman Associates, Inc.
1990 Census, "Summary Tape File 3A", Census Tract 11 and Block Group 2 of Census Tract 12.02.

Table 2-14 presents the housing valuation for the Truckee Environs housing stock. The median housing value in the Truckee Environs is \$88,928, with over three-fourths of the owner-occupied units valued below \$100,000.

The distribution of rents in the Truckee Environs shows that nearly 30.0 percent of rents are below \$400 and no rentals are priced between \$400 and \$550. Nearly fifty percent of the rents are between \$550 and \$700. The remainder of the rent payments fall between \$750 and \$1,000.

Table 2-15 presents the age distribution of the Truckee Environs population for 1980 and 1990. The working age group accounts for the largest share of the total population in both 1980 and 1990. This age group grew by 9.3 percentage points while all other age groups experienced a decline in their shares of the 1980 to 1990 population growth. The growth in this segment of the population may account for the high per capita income in the Truckee Environs.

The largest percentage decrease in share of the total population over the 1980 to the 1990 period in the Truckee Environs was in the school age population, the 5 to 18 year old group. This group's share of the total population decreased by 5.3 percentage points, from 24.8 percent in 1980 to 19.5 percent in 1990. The senior age group (65+ years) decreased by 2.5 percentage points over the 1980 to 1990 period, while the under 5 group decreased by 1.5 percentage points over the same period.

**TABLE 2-14
TRUCKEE ENVIRONS
1990 HOUSING VALUE AND CONTRACT RENT**

| Specified Owner-Occupied Units | | | Specified Renter-Occupied Units | | |
|--------------------------------|--------------------------|---------------------------|---------------------------------|--------------------------|----------------------------|
| Housing Value | Number of Occupied Units | Percent of Owner-Occupied | Contract Rent | Number of Occupied Units | Percent of Renter-Occupied |
| Less than \$75,000 | 31 | 27.2% | Less than \$350 | 12 | 21.1% |
| \$75,000-\$99,999 | 56 | 49.1% | \$350-\$399 | 5 | 8.8% |
| \$100,000-\$124,999 | 10 | 8.8% | \$400-\$449 | 0 | 0.0% |
| \$125,000-\$149,999 | 17 | 14.9% | \$450-\$499 | 0 | 0.0% |
| \$150,000-\$174,999 | 0 | 0.0% | \$500-\$549 | 0 | 0.0% |
| \$175,000-\$199,999 | 0 | 0.0% | \$550-\$599 | 4 | 7.0% |
| \$200,000-\$249,999 | 0 | 0.0% | \$600-\$649 | 6 | 10.5% |
| \$250,000-\$299,999 | 0 | 0.0% | \$650-\$699 | 18 | 31.6% |
| \$300,000-\$399,999 | 0 | 0.0% | \$700-\$749 | 0 | 0.0% |
| \$400,000-\$499,000 | 0 | 0.0% | \$750-\$999 | 12 | 21.1% |
| \$500,000 and more | 0 | 0.0% | \$1,000 and more | 0 | 0.0% |
| Total | 114 | 100.0% | Total | 57 | 100.0% |
| Median Housing Value: | \$88,928 | | Median Contract Rent: | \$654 | |

Source: Stanley R. Hoffman Associates, Inc.
1990 Census, "Summary Tape File 3A", Census Tract 11 and Block Group 2 of Census Tract 12.02.

**TABLE 2-15
TRUCKEE ENVIRONS
POPULATION BY AGE GROUP: 1980 AND 1990**

| Age Group | 1980 | | 1990 | |
|----------------------|-------|------------------|-------|------------------|
| | Total | Percent of Total | Total | Percent of Total |
| Pre-school (0-4) | 7 | 4.5% | 15 | 3.0% |
| School age (5-18) | 39 | 24.8% | 99 | 19.5% |
| Working age (19-64) | 101 | 64.3% | 374 | 73.6% |
| Senior (65 and over) | 10 | 6.4% | 20 | 3.9% |
| Total | 157 | 100.0% | 508 | 100.0% |

Source: Stanley R. Hoffman Associates, Inc.
1980 Census, "Detailed Characteristics, Census Tract 11.
1990 Census, "Summary Tape File 3A", Census Tract 11 and Block Group 2 of Census Tract 12.02.

The racial and ethnic composition of the Truckee Environs households for 1980 and 1990 is presented in Table 2-16. The white households accounted for 100 percent of all household in 1980 and 93.8 percent of all households in 1990. Some 6.2 percent of the households were in the Other category in the 1990 Census. There were no Spanish Origin households in 1980, whereas the number of households identifying themselves as Spanish Origin was 18 in the 1990 Census.

TABLE 2-16
TRUCKEE ENVIRONS
HOUSEHOLDS BY RACE AND ETHNICITY: 1980 AND 1990

| | 1980 | | 1990 | |
|------------------------|-----------|------------------|------------|------------------|
| | Total | Percent of Total | Total | Percent of Total |
| White | 53 | 100.0% | 181 | 93.8% |
| Black | 0 | 0.0% | 0 | 0.0% |
| American Indian | 0 | 0.0% | 0 | 0.0% |
| Asian/Pacific Islander | 0 | 0.0% | 0 | 0.0% |
| Other | 0 | 0.0% | 12 | 6.2% |
| Total | 53 | 100.0% | 193 | 100.0% |
| Spanish Origin | 0 | | 18 | |

Source: Stanley R. Hoffman Associates, Inc.
1980 Census, "Detailed Characteristics, Census Tract 11.
1990 Census, "Summary Tape File 3A", Census Tract 11 and Block Group 2 of Census Tract 12.02.

The 1990 education and income characteristics for the Truckee Environs population is presented in Table 2-17. Some 62.5 percent of the population had at least some college, with 37.9 percent of the population having 4 years of college and none of the population having more than 4 years of college. Only 3.5 percent of the population had received no high school diploma.

The 1990 median household income of \$24,708 for the Truckee Environs was below the areas per capita income of \$29,485. The large number of vacant housing units accounts for the household income being below the per capita income.

TABLE 2-17
TRUCKEE ENVIRONS
1990 EDUCATION AND INCOME

| | Total | Percent of Total |
|---|---------------------|------------------|
| Educational Attainment (persons 25+) | | |
| No high school diploma | 11 | 3.5% |
| High school | 108 | 34.1% |
| Some college | 78 | 24.6% |
| 4 Years college | 120 | 37.9% |
| 4+ years college | 0 | 0.0% |
| Total | 317 | 100.0% |
| Per capita income | \$29,485 | |
| Median household income | \$24,708 | |

Source: Stanley R. Hoffman Associates, Inc.
1990 Census, "Summary Tape File 3A", Census Tract 11 and Block Group 2 of Census Tract 12.02.

Table 2-18 presents the labor force characteristics of the 1990 Truckee Environs population. While this area has a higher labor force participation rate than the Town of Truckee, 82.5 percent compared with 78.5 percent, the unemployment rate for the Truckee Environs is over three times higher than the unemployment rate in Truckee. Some 16.9 percent of the people in the labor force were unemployed in the Truckee Environs compared with 4.9 percent in Truckee.

**TABLE 2-18
TRUCKEE ENVIRONS
1990 LABOR FORCE CHARACTERISTICS**

| Civilian Labor Force (persons 16+) | | Total | Percent of Total |
|---|--------------|--------------|-------------------------|
| Not in the labor force | | 73 | 17.5% |
| In the labor force | | 343 | 82.5% |
| | Total | 416 | 100.0% |
| Employed | | 285 | 83.1% |
| Unemployed | | 58 | 16.9% |
| | Total | 343 | 100.0% |

Source: Stanley R. Hoffman Associates, Inc.
1990 Census, "Summary Tape File 3A", Census Tract 11 and Block Group 2 of Census Tract 12.02.

2.2. Economic and Employment Characteristics

2.2.1 The Truckee Employment Base

This section presents historic trends regarding employment in Truckee and in Nevada County. The analysis of these historic trends will serve three purposes:

- To provide a basis for economic projections
- To identify the position of the Town of Truckee in the overall Nevada County economy
- To identify key sectors in the Truckee economic base

This analysis focuses on employment trends by industry; comparative industrial compositions; and comparative growth analysis.

Table 2-19 presents employment growth data for Truckee. The estimated employment is based on ZIP Code information from County Business Patterns, from the U.S. Department of Commerce and on other available sources, including the U.S. Census, the California Employment Development Department, and selected information on major employers in Truckee. These data are presented for the Truckee area, as defined by ZIP codes 96160, 96161 and 96162. This area does not correspond to the boundaries of the Town of Truckee, but is an approximation and the basis upon which available employment data are compiled.

Employment is presented on a place of work basis. The following data represent jobs located in the Truckee area compared with the same jobs by industrial category in Nevada County.

**TABLE 2-19
TRUCKEE AREA AND NEVADA COUNTY
ESTIMATED EMPLOYMENT BY INDUSTRY**

| Truckee Community | 1983 | 1989 | 1994 |
|--|--------------|--------------|--------------|
| Agriculture, forestry, fisheries | 25 | 38 | 60 |
| Construction and mining | 273 | 509 | 558 |
| Manufacturing | 32 | 171 | 162 |
| Transportation, communication, utilities | 66 | 35 | 39 |
| Wholesale trade | 56 | 56 | 75 |
| Retail trade | 917 | 1,072 | 1,254 |
| Finance, insurance, real estate | 151 | 283 | 463 |
| Services | 353 | 607 | 698 |
| Government | 553 | 847 | 997 |
| Self employed | 383 | 572 | 738 |
| Total | 2,809 | 4,190 | 5,044 |

| Nevada County | 1983 | 1989 | 1994 |
|--|---------------|---------------|---------------|
| Agriculture, forestry, fisheries | 50 | 50 | 86 |
| Construction and mining | 700 | 1,450 | 1,706 |
| Manufacturing | 1,850 | 2,950 | 2,598 |
| Transportation, communication, utilities | 525 | 525 | 528 |
| Wholesale trade | 225 | 375 | 591 |
| Retail trade | 3,275 | 4,625 | 5,245 |
| Finance, insurance, real estate | 725 | 1,050 | 1,531 |
| Services | 3,250 | 4,725 | 6,280 |
| Government | 2,900 | 3,725 | 4,307 |
| Self employed | 2,822 | 4,070 | 5,400 |
| Total | 16,322 | 23,545 | 28,272 |

Source: Stanley R. Hoffman Associates, Inc.
County Business Patterns
California Employment Development Department, Annual Planning Information, Nevada County, June 1993.

As shown in Table 2-19, employment in the Truckee area is estimated to have increased from 2,809 to 5,044 over the period from 1983 to 1994. Employment in 1989 is estimated at 4,190. As also shown in Table 2-1, employment in Nevada County increased from 16,322 in 1983 to 28,272 in 1994, with countywide employment in 1989 estimated at 23,545.

2.2.2 Employment Growth Increments

Table 2-20 presents the Truckee area employment growth on an annual average basis. During the 1983-1989 period, employment is estimated to have grown on average by 230 jobs per year. This growth was spread over nearly all industry divisions, including construction and mining, manufacturing, and a wide range of non-manufacturing sectors.

**TABLE 2-20
TRUCKEE AREA
ANNUAL EMPLOYMENT GROWTH BY INDUSTRY DIVISION**

| Industry Division | Annual Job Growth | |
|--|-------------------|------------|
| | 1983-1989 | 1989-1994 |
| Agriculture, forestry, fisheries | 2 | 4 |
| Construction and mining | 39 | 10 |
| Manufacturing | 23 | -2 |
| Transportation, communication, utilities | -5 | 1 |
| Wholesale trade | 0 | 4 |
| Retail trade | 26 | 36 |
| Finance, insurance, real estate | 22 | 36 |
| Services | 42 | 18 |
| Government | 49 | 30 |
| Self employed | 32 | 33 |
| Total | 230 | 170 |

Source: Stanley R. Hoffman Associates, Inc.
County Business Patterns
California Employment Development Department, Annual Planning Information, Nevada County, June 1993.

During the 1989-1994 period, annual employment growth in the Truckee area is estimated at 170, approximately three-fourths of the annual increments during the 1980s. During this latter period, growth in construction, mining and manufacturing has been significantly constrained. However, annual growth increments in retail trade; and finance, insurance and real estate (FIRE), have been greater than during the 1980s.

2.2.3 The Truckee Economy and Nevada County

Industry Structure. Table 2-21 compares the structure of the Truckee area economy with Nevada County, based on 1994 data.

The Truckee area economy shows greater dependence on the industries of construction and mining, retail trade and government, when compared to Nevada County. This condition is consistent with Truckee's role as a local center for governmental services, a retailing center (including highway-oriented retail), and as a basis of the construction industry for much of the activity within the Tahoe Basin.

The Truckee economy shows less prominence within the sectors of manufacturing, wholesale trade and services. This latter condition reflects a limited export base for Truckee, and opportunities for economic diversification.

Comparative Growth Rates. Table 2-22 presents a comparison of annual average percentage growth rates for the Truckee area and Nevada County over the 1983 to 1994.

The first conclusion is that both the Truckee area and Nevada County show very high rates of employment growth, compared to the state. Over this period, the California employment base has grown by an average annual rate of 3.0 percent, significantly slower than the Truckee Area and Nevada County.

TABLE 2-21
TRUCKEE AREA AND NEVADA COUNTY
COMPARATIVE INDUSTRIAL STRUCTURE: 1994

| Industry Division | Truckee Area | | Nevada County | |
|--|--------------|------------------|---------------|------------------|
| | Employment | Percent of Total | Employment | Percent of Total |
| Agriculture, forestry, fisheries | 60 | 1.2% | 86 | 0.3% |
| Construction and mining | 558 | 11.0% | 1,706 | 6.0% |
| Manufacturing | 162 | 3.2% | 2,598 | 9.2% |
| Transportation, communication, utilities | 39 | 0.8% | 528 | 1.9% |
| Wholesale trade | 75 | 1.5% | 591 | 2.1% |
| Retail trade | 1,254 | 24.9% | 5,245 | 18.6% |
| Finance, insurance, real estate | 463 | 9.2% | 1,531 | 5.4% |
| Services | 698 | 13.8% | 6,280 | 22.2% |
| Government | 997 | 19.8% | 4,307 | 15.2% |
| Self employed | 738 | 14.6% | 5,400 | 19.1% |
| Total | 5,044 | 100.0% | 28,272 | 100.0% |

Source: Stanley R. Hoffman Associates, Inc.
County Business Patterns
California Employment Development Department, Annual Planning Information, Nevada County, June 1993.

When compared to the County, the Truckee area has shown particularly strong growth in manufacturing, FIRE and government. The service sector in the Truckee area has also grown at a slightly higher rate than in the County as a whole. Finally, the Truckee economy has lagged behind that of Nevada County in construction and mining, wholesale trade and retail trade.

TABLE 2-22
TRUCKEE AREA AND NEVADA COUNTY
COMPARATIVE EMPLOYMENT GROWTH
(Annual Average Growth Rates: 1983-1994)

| Industry Division | Truckee Area | Nevada County | Truckee minus Nevada County |
|--|--------------|---------------|-----------------------------|
| Agriculture, forestry, fisheries | 8.3% | 5.0% | 3.3% |
| Construction and mining | 6.7% | 8.4% | -1.7% |
| Manufacturing | 15.9% | 3.1% | 12.8% |
| Transportation, communication, utilities | -4.7% | 0.0% | -4.7% |
| Wholesale trade | 2.7% | 4.2% | -1.5% |
| Retail trade | 2.9% | 4.4% | -1.5% |
| Finance, insurance, real estate | 10.7% | 7.0% | 3.7% |
| Services | 6.4% | 6.2% | 0.2% |
| Government | 5.5% | 3.7% | 1.8% |
| Self employed | 5.4% | 6.1% | -0.7% |
| Total | 5.4% | 5.1% | 0.3% |

Source: Stanley R. Hoffman Associates, Inc.
County Business Patterns
California Employment Development Department, Annual Planning Information, Nevada County, June 1993.

2.2.4 Key Sectors in the Truckee Economy

Much of the analysis in the General Plan will be focused on identifying key sectors in the Truckee economy. In regional economic analysis, employment is often grouped into basic and local-serving categories. Basic employment is that which primarily serves markets outside the area, while local-serving employment primarily serves local demand. The growth of basic employment is viewed as providing the major impetus for economic development in an area. For an economy such as that of Truckee, basic employment is found in the following sectors:

- Resource based industries, including forestry and mining
- Manufacturing
- Long distance transportation
- Wholesale trade
- Retail trade serving highway and tourism demand
- Lodging
- Business and professional services
- Regional, federal and state government

The historic data show some emerging strength in the Truckee economy in manufacturing. Most of the manufacturing currently in Truckee serves local and regional construction, including planing mills, sheet metal, and air conditioning and heating. Additional opportunities to provide export-base manufacturing, possibly in conjunction with the airport, may exist.

While the Truckee economy has not shown strength in long-distance transportation, opportunities in this area may be appropriate, given the location and access characteristics of Truckee. Such transportation expansions may often be coupled with wholesale trade activities serving the Tahoe Basin.

Truckee is positioned as a gateway to the major four-season resort opportunities of the Tahoe Basin, and is also about 35 miles from Reno. Thus, Truckee has superior locational and accessibility advantages. Also, Truckee possesses considerable natural beauty and historic and cultural amenities. All of these conditions imply a potential for tourism and recreation as a component of the Truckee economic base.

Retail expansion, particularly the recently developed outlet mall, has occurred in Truckee. The comparative analysis, however, does not show that Truckee has fully exploited this opportunity. Also, additional lodging opportunities, including destination resorts, may exist in Truckee.

Truckee has shown expansion and diversification in services over the 1983-1994 period. This expansion and diversification may continue if Truckee serves a role as a regional center for the Tahoe Basin and eastern Nevada County.

It is clear that Truckee serves as a regional governmental center for eastern Nevada County. Expanded state and federal government activities may be appropriately located in Truckee as the area grows.

2.2.5 Identifying Economic Development Opportunities in Truckee

Future analysis will identify specific economic development opportunities in Truckee. This analysis will include input from the following sources:

- The market for retail, visitor-oriented, employment and residential development, to be determined through on-site data development and analysis
- Long-range projections of employment, housing and population for Truckee, its Environs and the surrounding region
- Town policies regarding economic development and the role of Truckee in the regional economy
- Ongoing coordination with community economic development interests

Economic development opportunities will then be tested within the overall context of the General Plan, identifying fiscal impacts, jobs and housing implications, and the role of major facilities and infrastructure in supporting economic development in Truckee.

CHAPTER 3

DEVELOPMENT MARKET EVALUATION

This chapter presents the key characteristics of the Truckee development market, including valuations, existing and projected retail sales generation, the visitor industry and the existing industrial market.

Residential absorption rates, valuations and development types are first presented to determine the residential support for retail sales. An evaluation of the visitor industry in Truckee follows with a profile of the hotel and motel market, based on a telephone survey conducted in June of 1994. In addition, the second home development and recreational aspects of the Truckee visitor industry are discussed.

The retail sales analysis includes a discussion of the existing and projected retail sales and related commercial acreage demand for combined taxable and non-taxable retail sales. The retail analysis examines support from year-round residential, second home and transient demand sources. Finally, a discussion of the industrial sector of the Truckee economy is presented.

3.1. Residential Development

3.1.1 Residential Absorption

Truckee has experienced substantial housing growth over the last fifteen years. Growth restrictions in the Lake Tahoe area, the tax advantages of owning second homes and the attractiveness of Truckee as a "bedroom" community for people working in Reno have contributed to this housing growth.

The housing unit estimate for the Town of Truckee for January 1, 1994 is 8,166 units. Table 3-1 summarizes monthly historical residential permit data for three time periods from 1978 to 1994. A total of 5,894 residential permits were issued over this period at an average annual rate of 393 permits.

Housing unit growth over this same fifteen year period is estimated at 5,204, based on the assumption, based on discussions with Town staff, that about 88 percent of issued permits result in completed units. Housing units increased at an average annual rate of 347 units over the 1978 to 1994 period.

The strongest housing growth occurred over the five year period from 1978-79 to 1983-84, with an estimated 2,577 units at an annual increase of 515 units. Over the 1983-84 to 1988-89 period housing growth slowed considerably with only 200 additional units per year, or a total of 1,000 additional units over this five year period. Housing unit growth

TABLE 3-1
TOWN OF TRUCKEE GENERAL PLAN
RESIDENTIAL BUILDING PERMITS
AND HOUSING UNIT ABSORPTION

| April to April Time Period | Permits | | Completed Units ¹ | |
|-------------------------------|--------------------|-----------------------------|------------------------------|-----------------------------|
| | Total Increment | Annual Average Increment | Total Increment | Annual Average Increment |
| 1978-79 to 1983-84 | 2,919 | 584 | 2,577 | 515 |
| 1983-84 to 1988-89 | 1,133 | 227 | 1,000 | 200 |
| 1988-89 to 1993-94 | <u>1,842</u> | 368 | <u>1,626</u> | 325 |
| Total Increment | 5,894 | | 5,204 | |
| 15 Year Annual Increment | 393 | | 347 | |

Note: 1. Completed units are based on the assumption that 88.3 percent of issued residential permits become completed housing units.

Source: Stanley R. Hoffman Associates, Inc.
Town of Truckee, Community Development Department

increased to an estimated 325 units per year over the 1988-89 to 1993-94 period so that 1,626 additional units were added over this five year period.

3.1.2 Residential Valuation

Residential valuations for 1992 and 1993 for the Truckee area are presented in Table 3-2. Single family units averaged \$165,661 per unit in 1993, up 3.0 percent over the average per unit of \$160,844 in 1992. Multi-family units experienced a decrease of 4.6 percent in price over the 1992 to 1993 period, to an average price of \$63,130 in 1993 from an average price of \$66,154 in 1992.

3.1.3 Unit Types

The mix of single family and multi-family units has changed slightly since the 1990 Census. Based on recent assessor parcel information, single family units represent 88.2 percent of all parcels, while in the 1990 Census single family units accounted for 87.8 percent of all housing units.

Multi-family units now account for 7.7 percent of all units, compared with representing 8.2 of all units in the 1990 Census. Mobile homes have experienced only a slight increase in their share of all units, now 4.1 percent compared with 4.0 percent in the 1990 Census.

3.2. Visitor Industry

Truckee represents a hub of the North Lake Tahoe-Reno area, with highway access east and west on Interstate 80 and north and south on Highway 89 and east on Highway 267. In addition, accessibility to and from Truckee is provided by AMTRAK rail lines and Greyhound bus lines. Air transportation is available through Reno Cannon International Airport, 35 miles east of Truckee and the Truckee-Tahoe Airport along Highway 267 provides facilities for small aircraft and cargo flights. Truckee also offers local transportation through the Tahoe Area Regional Transit, the Truckee Trolley, car rentals, and limousine and tour services.

Truckee is a popular vacation and recreation destination. Unlimited summer and winter recreational opportunities include downhill and cross country skiing; hiking opportunities in the area's National Forest Wilderness Area with the Pacific Crest Trail head located minutes from Truckee; golfing at Ponderosa and Tahoe Donner Golf Courses; fishing at Donner Lake and nearby Prosser, Boca and Stampede reservoirs; swimming, sailing, sailboarding and paddle boats at Donner Lake. Other recreation attractions include equestrian activities, biking, hot air ballooning, camping .

Recreational activities and events are also provided through the Truckee Donner Recreation and Parks District, including swimming, tennis, exercise classes, and summer concerts and a Farmer's Market at the Regional Park. Truckee also has the special

**TABLE 3-2
TOWN OF TRUCKEE GENERAL PLAN
TRUCKEE AREA
RESIDENTIAL VALUATIONS**

| Subdivison | 1992 | | 1993 | | 1992-1993 Percent Increase |
|------------------------------|------------|----------------|------------|----------------|-------------------------------|
| | Units Sold | Average Price | Units Sold | Average Price | |
| <u>Single Family:</u> | | | | | |
| Glenshire | 75 | \$135,500 | 71 | \$137,500 | 1.5% |
| The Meadows | 0 | 0 | 0 | 0 | n/a |
| Pannonia Ranchos | 0 | 0 | 2 | 520,750 | n/a |
| Prosser Heights | 3 | 137,000 | 7 | 187,500 | 36.9% |
| Prosser Lakeview Estates | 24 | 147,000 | 18 | 131,875 | -10.3% |
| Martis Valley Estates | 1 | 134,000 | 3 | 128,000 | -4.5% |
| Martiswoods Estates | 1 | 237,500 | 1 | 250,000 | 5.3% |
| Ponderosa Ranchos | 3 | 320,000 | 3 | 252,000 | -21.3% |
| Olympic Heights | 5 | 118,000 | 9 | 126,000 | 6.8% |
| Ponderosa Palisades | 20 | 126,500 | 15 | 127,500 | 0.8% |
| Sierra Meadows | 15 | 142,000 | 29 | 150,000 | 5.6% |
| Central Truckee | 7 | 120,000 | 12 | 116,750 | -2.7% |
| Donner Lake | 22 | 147,500 | 16 | 146,000 | -1.0% |
| Donner North | 8 | 120,000 | 10 | 108,300 | -9.8% |
| Tahoe Donner | <u>213</u> | <u>179,000</u> | <u>215</u> | <u>186,000</u> | 3.9% |
| Total | 397 | \$160,844 | 411 | \$165,661 | 3.0% |
| <u>Multi-family:</u> | | | | | |
| Donner Lake Condos | 11 | \$64,000 | 5 | \$51,000 | -20.3% |
| Tahoe Donner Condos | <u>28</u> | <u>67,000</u> | <u>18</u> | <u>66,500</u> | -0.7% |
| Total | 39 | \$66,154 | 23 | \$63,130 | -4.6% |

Source: Stanley R. Hoffman Associates, Inc.

"Our Town Truckee", February-March 1994.

attractions of the Sierra Nevada Children's Museum, the Truckee Tahoe Air Show, the Truckee 4th of July Downtown Parade and Celebration Fireworks at Donner Lake, the Cannibal Cruise Car Show and the Truckee Championship Rodeo.

A survey of the motel and hotel market shows that the majority of the recreation and tourist activities attract visitors to Truckee during the peak seasons of winter and the summer months of June through September. Proprietors also indicate much higher occupancy rates over weekends than during weekdays. Tourism during the weekdays and the off-peak seasons of spring and fall may be boosted by increased promotional efforts coupled with the provision of destination resorts and additional golfing, tennis, hiking and horseback riding.

The visitor industry in the Truckee area which serves the vacation and tourist demand is defined as including the hotel and motel market and the second home market.

3.2.1 Hotel and Motel Development

The lodging inventory in the Truckee area, including the Truckee Environs and Area of Concern, is currently estimated as comprising 487 hotel and motel rooms, and 42 bed and breakfast rooms. Available information on lodging is based on published directories and a telephone survey of establishments, and is summarized in Table 3-3. All identified lodging facilities were established either prior to 1960, or between 1980 and the present.

Pre-1960 Inventory. Some 58 hotel and motel rooms, and 37 bed and breakfast rooms are identified in the pre-1960 inventory. Typical occupancy rates are estimated at 85 to 90 percent for the peak season periods (winter and summer); while in the off peak season, some occupancy rates are as low as 30 percent. Typical hotel and motel room rates are about \$70 for these older establishments; while the bed and breakfast room rates are estimated at \$95.

Post-1980 Inventory. In the period since 1980, some 429 hotel and motel rooms have been added, while five bed and breakfast rooms have been added. The post-1980 hotel and motel rooms show occupancy rates comparable with those of the older establishments, but typical room rates are higher at about \$100. The added bed and breakfast rooms show similar room rates to the older establishments at \$95, but have a narrower fluctuation of occupancy rates--estimated at 75 percent in peak periods, and 50 percent in off-peak periods.

In the historic expansion of 434 rooms over the period from 1980 to 1994, some 235 rooms were accounted for by the single resort establishment of Northstar at Tahoe, with the remaining 199 representing more diversified lodging development in Truckee. The lodging at Northstar was included in the inventory to show the lodging market absorption for the broader Truckee area.

**TABLE 3-3
TRUCKEE AREA
LODGING SUMMARY**

| Date Opened | | | Total | |
|-------------|-----------|--------------|------------|--|
| Pre-1960 | 1961-1979 | 1980-Present | | |
| | | | | |
| 58 | 0 | 194 | 252 | |
| <u>0</u> | <u>0</u> | <u>235</u> | <u>235</u> | |
| 58 | 0 | 429 | 487 | |
| | | | | |
| 90% | | 90% | 90% | |
| <u>50%</u> | | <u>50%</u> | <u>50%</u> | |
| 70% | | 70% | 70% | |
| | | | | |
| \$70 | | \$100 | \$85 | |
| | | | | |
| 37 | 0 | 5 | 42 | |
| | | | | |
| 85% | | 75% | 84% | |
| <u>30%</u> | | <u>50%</u> | <u>40%</u> | |
| 58% | | 63% | 58% | |
| | | | | |
| \$95 | | \$95 | \$95 | |

Source: Stanley R. Hoffman Associates, Inc.

Lodging Outlook. Employment projections prepared as part of this analysis indicate an increase in lodging employment for the Truckee area of about 53 jobs over the 1994-2015 period. Based on this increase, and an assumption of 0.25 employees per motel room and 0.40 employees per bed and breakfast room, some 180 motel rooms and 20 bed and breakfast rooms are projected. This projection could be higher if successful destination resort developments broadened the range of recreational opportunities.

3.2.2 Second Home Development

A large number of housing units in Truckee are owned as second homes and rented or used seasonally by their owners. The 1990 Census showed that 52.8 percent of all units were vacant, with 28.6 percent of all housing units identified as seasonal, recreational or utilized occasionally, 2.6 percent as vacant for sale or rent and 21.6 percent as all other vacant. Most of the 21.6 percent of all other vacant units are assumed to be second homes.

The 1995 DOF estimates for Truckee show 9,039 housing units, with 4,352 occupied units and 4,687 vacant units. Most vacant units are assumed to be second homes.

3.2.3 Recreation Development

Another area for potential development in Truckee is destination resort development. The Town's Draft General Plan provides opportunities for destination resort development in planned communities and opportunities for recreational development in OSR designations.

3.3. Retail Sales Analysis

This section presents an analysis of existing and projected retail sales and related commercial acreage demand for combined taxable and non-taxable retail sales. The proportion of existing taxable transactions that represent non-retail sales is also presented. Non-retail sales are taxable transactions that occur from non-retail buildings, such as industrial facilities or business parks.

The primary retail market area includes the Town of Truckee, the Truckee Environs within Nevada County, and the Area of Concern. This latter area includes the Martis Valley and other adjacent areas within Placer County. It is assumed that these adjacent areas will grow at approximately the same rate as the Town of Truckee and that Truckee will continue to be the focal point of the market area. Market demand from beyond these areas, and transient demand, are factored in as a proportion of primary market demand and represent through traffic, day visitors and demand from the North Lake Tahoe area.

3.3.1 Comparative Taxable Sales Analysis

Table 3-4 presents a comparison of taxable sales for calendar year 1992 for the Town of Truckee, Nevada County and the State of California. This is the latest year for which taxable data is available for all three areas, although Truckee is estimated to have generated virtually the same amount of taxable sales in 1993 and 1994. Since the Town of Truckee did not incorporate until March 1993, the Truckee data is from a special tabulation from the State Board of Equalization for the Truckee postal area which approximates the current corporate boundaries.

In 1992 Truckee generated about \$115.04 million in taxable sales. About 79 percent, or \$91.03 million, was taxable retail sales, and about 21 percent, or \$24.01 million, was non-retail taxable sales. Truckee's non-retail sales proportion (20.9 percent) is lower than that of Nevada County (28.5) percent and California (34.2 percent). Most non-retail sales are generated by industrial and business park developments, and Truckee's lower proportion of these sales is consistent with its less industrialized economy.

Truckee has high per capita taxable sales at \$9,680, when compared to Nevada County at \$4,953 and California at \$5,682. Truckee's high per capita sales reflects the additional demand from tourists and seasonal home visitors. However, when the ratios of taxable sales per housing unit are compared, Truckee sales of \$12,391 fall between the ratios for Nevada County (\$10,459) and California (\$15,485), because taxable sales are spread over occupied and vacant units.

The effects of the tourist, seasonal home and transient population markets can be seen in the distribution of retail sales by category in Truckee when compared with statewide distribution, which represents demand patterns of resident households. Truckee is relatively higher than California in the proportion of retail sales in apparel stores (8.7% to 5.8%), food stores (16.2% to 9.7%), building materials and farm implements (13.4% to 7.5%), service stations (16.2% to 9.1%) and other retail stores (22.5% to 15.5%). However, Truckee is much lower for general merchandise stores (1.9% to 15.1%) and auto dealers and auto supplies (1.7% to 15.3%).

3.3.2 Estimation of 1992 Taxable Retail Purchasing Power

Table 3-5 presents the estimation of the retail purchasing power for the Town of Truckee for two resident groupings; permanent and seasonal. Permanent residents are defined as those who make the Truckee their home on a year round basis. Seasonal residents can be defined as those who reside part-time in a second home, a rental unit, or other similar living arrangement. In addition to these two groupings, the retail purchasing power estimation is divided into three geographic areas consisting of the Town of Truckee, Truckee Environs, and the Area of Concern. Retail demand beyond these areas and transient demand from short-term visitors is factored in based on the current proportion of the primary market area and includes the North Lake Tahoe area.

TABLE 3-4
TOWN OF TRUCKEE
RETAIL SALES DISTRIBUTION: TOWN, COUNTY AND STATE

| <u>Retail Category</u> | 1992 Town of Truckee | | 1992 Nevada County | | 1992 State of California | |
|-----------------------------------|----------------------|--------------|--------------------|--------------|--------------------------|--------------|
| | Amount | Distribution | Amount | Distribution | Amount (thousands) | Distribution |
| Apparel stores | \$7,952,000 | 8.7% | \$17,326,000 | 4.1% | \$10,383,844 | 5.8% |
| General merchandise stores | 1,762,000 | 1.9% | 34,235,000 | 8.1% | 27,107,738 | 15.1% |
| Drug stores | N/A | 0.0% | 19,357,000 | 4.6% | 5,353,109 | 3.0% |
| Food stores | 14,740,000 | 16.2% | 67,760,000 | 16.0% | 17,459,415 | 9.7% |
| Packaged liquor stores | N/A | 0.0% | 2,482,000 | 0.6% | 1,978,317 | 1.1% |
| Eating and drinking places | 14,175,000 | 15.6% | 52,978,000 | 12.5% | 23,545,444 | 13.1% |
| Home furnishings & appliances | 3,462,000 | 3.8% | 19,479,000 | 4.6% | 8,558,819 | 4.8% |
| Bldg. materials & farm implements | 12,169,000 | 13.4% | 50,802,000 | 12.0% | 13,451,730 | 7.5% |
| Auto dealers and auto supplies | 1,504,000 | 1.7% | 43,975,000 | 10.4% | 27,380,832 | 15.3% |
| Service stations | 14,754,000 | 16.2% | 50,396,000 | 11.9% | 16,351,959 | 9.1% |
| Other retail stores | <u>20,507,000</u> | <u>22.5%</u> | <u>64,691,000</u> | <u>15.3%</u> | <u>27,703,898</u> | <u>15.5%</u> |
| Retail stores total | \$91,025,000 | 100.0% | \$423,481,000 | 100.0% | \$179,275,105 | 100.0% |
| All other outlets | \$24,018,000 | 20.9% | \$168,823,000 | 28.5% | \$93,093,186 | 34.2% |
| Total all outlets | \$115,043,000 | | \$592,304,000 | | \$272,368,291 | |
| Number of housing units | 7,346 | | 40,491 | | 11,577,114 | |
| Retail sales per housing unit | \$12,391 | | \$10,459 | | \$15,485 | |
| Population | 9,403 | | 85,492 | | 31,551,554 | |
| Retail sales per capita | \$9,680 | | \$4,953 | | \$5,682 | |

Source: Stanley R. Hoffman Associates, Inc.
Board of Equalization
Department of Finance, Population and Housing Estimates, January 1, 1993

TABLE 3-5
TOWN OF TRUCKEE
ESTIMATION OF 1992 TAXABLE RETAIL PURCHASING POWER

| Area | Permanent Residents | | | | | Percent of Total Taxable Retail Sales |
|---------------------------------|--------------------------------|-------------------------------|---|--|---|--|
| | Permanent Occupied Units | Median Household Income | Estimated Purchasing Capture ¹ | Estimated Aggregate EBI ² | Taxable Retail Sales ³ | |
| Truckee | 3,466 | \$40,012 | 60.0% | \$65,154,412 | \$25,625,230 | |
| Truckee environs | 201 | 24,708 | 60.0% | 2,336,350 | 918,886 | |
| Area of concern | <u>1,616</u> | 35,121 | 60.0% | <u>26,661,794</u> | <u>10,486,084</u> | |
| | 5,283 | | | \$94,152,556 | \$37,030,200 | 40.7% |
| | | | | | | |
| Seasonal Residents | | | | | | |
| | Seasonal Occupied Units | Median Household Income | Estimated Purchasing Capture | Estimated Aggregate EBI | Taxable Retail Sales | |
| Truckee | 3,880 | \$40,012 | 30.0% | \$36,466,517 | \$14,342,281 | |
| Truckee environs | 756 | 24,708 | 30.0% | 4,386,166 | 1,725,079 | |
| Area of concern | <u>3,619</u> | 35,121 | 30.0% | <u>29,857,449</u> | <u>11,742,935</u> | |
| | 8,255 | | | \$70,710,133 | \$27,810,295 | 30.6% |
| | | | | | | |
| Total of Seasonal and Permanent | | | | | | |
| | Units | Median Household Income | | Estimated Aggregate EBI | Taxable Retail Sales | |
| Truckee | 7,346 | \$40,012 | | \$101,620,929 | \$39,967,511 | |
| Truckee environs | 957 | 24,708 | | 6,722,516 | 2,643,966 | |
| Area of concern | <u>5,235</u> | 35,121 | | <u>56,519,243</u> | <u>22,229,018</u> | |
| | 13,538 | | | \$164,862,688 | \$64,840,495 | |
| | | | | | | |
| Transient Taxable Retail Sales | | | | | \$26,184,505 | 28.8% |
| Total Taxable Retail Sales | | | | | \$91,025,000 | 100.0% |

- Notes:
1. Estimated purchasing capture is the estimated amount captured in Truckee.
 2. EBI = Effective Buying Income equals 0.783 times total aggregate income.
 3. Taxable retail sales equals 0.393 times EBI.

Source: Stanley R. Hoffman Associates, Inc.

Estimation of 1992 housing units are presented in Table 3-6 based on 1990 Census distributions. These distributions are applied against growth rates in Truckee based on local building permit data, and estimated growth rates in the unincorporated areas from California Department of Finance housing unit estimates.

Overall, the permanent residents are estimated to account for 40.7 percent of the total taxable retail sales of \$91.03 million. Total taxable retail sales from seasonal residents are estimated at 30.6 percent. The remaining 28.8 percent of taxable retail sales are estimated to be from transient demand. Sales from the transient category primarily include taxable purchases from persons who pass through the area and stop to refuel, make a retail purchase or have a meal. Additional taxable purchases are derived from overnight tourists using local lodging.

Permanent Residents. In order to derive the taxable retail sales from the permanent residents, the number of permanent occupied units in the study is multiplied by the median household income of each geographic region. Based on the 1990 Census, the median household income ranges from a high of \$40,012 for the Town of Truckee to a low of \$24,708 for the Truckee Environs. This amount is then multiplied by an estimated purchasing capture of 60 percent.

The final step in determining the Effective Buying Income (EBI) is to multiply the median income of all households by a factor of 78.3 percent to account for personal tax and non-tax payments. The aggregate EBI is then converted to retail purchasing power by multiplying household EBI by 39.3 percent, the amount of income estimated to be spent on taxable retail sales. The 39.3 percent factor is based on data from "Annual Survey of Buying Power," from Sales and Marketing Management Magazine, August 1993.

As shown in Table 3-5, the total estimated retail purchasing power of the permanent residents of Truckee, Truckee Environs and the Area of Concern is estimated at \$37.03 million. The majority of the purchasing power is projected from the 3,466 Truckee households which comprise an estimated 65.6 percent of the total permanent units.

Seasonal Residents. Seasonal residents are estimated to have a purchasing capture of about 30 percent. This figure is estimated on the basis of a local survey that estimated that about 28 percent of the recreational users were non-local residents.

The estimated retail purchasing power of the seasonal residents is estimated at \$27.81 million. As with the permanent resident estimation, the units within the Town of Truckee comprise the largest percentage of the taxable retail purchasing power at \$14.34 million, or about 51.6 percent of the total seasonal resident purchasing power.

Derivation of the total taxable retail sales for the seasonal residents is estimated in the same manner as the permanent residents. The residual retail sales of \$26.18 million, or 28.8 percent of total retail sales, is estimated from the transient visitors in the area.

TABLE 3-6
TOWN OF TRUCKEE GENERAL PLAN
ESTIMATION OF HOUSING UNITS 1990 - 1994

| | 1990 | 1991 | 1992 | 1993 | 1994 |
|-------------------------|--------------|--------------|--------------|--------------|--------------|
| <u>Truckee</u> | | | | | |
| Occupied | 3,271 | 3,367 | 3,466 | 3,632 | 3,853 |
| Vacant | <u>3,661</u> | <u>3,769</u> | <u>3,880</u> | <u>4,066</u> | <u>4,313</u> |
| Total | 6,932 | 7,136 | 7,346 | 7,698 | 8,166 |
| <u>Truckee environs</u> | | | | | |
| Occupied | 193 | 197 | 201 | 205 | 210 |
| Vacant | <u>725</u> | <u>740</u> | <u>756</u> | <u>772</u> | <u>788</u> |
| Total | 918 | 937 | 957 | 977 | 998 |
| <u>Area of concern</u> | | | | | |
| Occupied | 1,550 | 1,583 | 1,616 | 1,650 | 1,684 |
| Vacant | <u>3,472</u> | <u>3,545</u> | <u>3,619</u> | <u>3,695</u> | <u>3,773</u> |
| Total | 5,022 | 5,127 | 5,235 | 5,345 | 5,457 |

Source: Stanley R. Hoffman Associates, Inc.

Potential Retail Capture from North Lake Tahoe. Based on the *Tahoe Basin Short Range Transit Plan*, issued in June 1994, the northwest Lake Tahoe area is estimated to have a population of 9,322 in 4,028 households. Based on census data, the median household income is \$28,281. A capture by Truckee of 50 percent of the household purchasing power would generate about \$22.40 million in retail sales in Truckee. Such a capture would require development of a stronger retail base in Truckee, especially in general merchandise stores. Using the taxable retail sales estimate of \$135 per square foot (which is based on 1994 actual taxable sales from the California Board of Equalization and estimated existing commercial retail square feet), the potential capture of demand from North Lake Tahoe would result in absorption of an additional 165,800 square feet of retail space. This general analysis suggests significant demand potential for Truckee from North Lake Tahoe.

3.3.3 Retail Sales Capture Analysis

A retail capture analysis is presented in Table 3-7 for the permanent households that reside in the Truckee market area. While the taxable retail sales generated in 1992 are estimated at about \$91.03 million, the purchasing power for the permanent households is estimated at about \$37.03 million, or about 40.7 percent of the total. The residual purchasing power comes from the second home, tourist and transient populations.

When the permanent household purchasing power is further compared by retail category with actual taxable retail sales, shortfalls in selected retail categories are identified. The distribution of retail sales for the permanent households is assumed to be similar to the statewide pattern. The overall Truckee distribution is skewed by the non-resident population purchases.

As shown in Table 3-7, this approach estimates actual sales to be considerably below the resident household purchasing power for general merchandise, and auto dealers and auto supplies. Lesser shortfalls are shown for drug stores and packaged liquor stores. This suggests that these types of purchases by residents may be made outside the Truckee market area, except for some substitution from other stores. Conversely, it also points to potential retail development needs within the market area, particularly as the number of permanent households increase and the areas around Truckee grow.

3.3.4 Projection of 2015 Taxable Retail Purchasing Power

The projection of 2015 retail demand is based primarily on the projections of permanently occupied and seasonal households within Truckee, Truckee Environs and the Area of Concern. The projections of housing units and population are based on historic trend ratios of employment to population and population to housing units, as presented in Chapter 4 of this report. The transient retail sales is then factored in based on its existing proportion of household demand.

TABLE 3-7
TOWN OF TRUCKEE
1992 TAXABLE RETAIL SALES CAPTURE ANALYSIS

| <u>Retail Category</u> | A | | B | | A-B | |
|-----------------------------------|-------------------|--------------|-------------------------|-------------------------|---------------------------|--------------|
| | Town of Truckee | | Permanent HH Pur. Power | | Residual Purchasing Power | |
| | Amount | Distribution | Amount | California Distribution | Amount | Distribution |
| Apparel stores | \$7,952,000 | 8.7% | \$2,144,837 | 5.8% | \$5,807,163 | 10.8% |
| General merchandise stores | 1,762,000 | 1.9% | 5,599,243 | 15.1% | (3,837,243) | -7.1% |
| Drug stores | N/A | 0.0% | 1,105,712 | 3.0% | (1,105,712) | -2.0% |
| Food stores | 14,740,000 | 16.2% | 3,606,332 | 9.7% | 11,133,668 | 20.6% |
| Packaged liquor stores | N/A | 0.0% | 408,632 | 1.1% | (408,632) | -0.8% |
| Eating and drinking places | 14,175,000 | 15.6% | 4,863,433 | 13.1% | 9,311,567 | 17.2% |
| Home furnishings & appliances | 3,462,000 | 3.8% | 1,767,868 | 4.8% | 1,694,132 | 3.1% |
| Bldg. materials & farm implements | 12,169,000 | 13.4% | 2,778,524 | 7.5% | 9,390,476 | 17.4% |
| Auto dealers and auto supplies | 1,504,000 | 1.7% | 5,655,652 | 15.3% | (4,151,652) | -7.7% |
| Service stations | 14,754,000 | 16.2% | 3,377,582 | 9.1% | 11,376,418 | 21.1% |
| Other retail stores | <u>20,507,000</u> | <u>22.5%</u> | <u>5,722,383</u> | <u>15.5%</u> | <u>14,784,617</u> | <u>27.4%</u> |
| Retail stores total | \$91,025,000 | 100.0% | \$37,030,200 | 100.0% | \$53,994,800 | 100.0% |

Source: Stanley R. Hoffman Associates, Inc.

Over the 1990 to 1994 period, housing units in the Town of Truckee grew at an average annual rate of 4.2 percent compared with 2.1 percent for the Truckee Environs and the Area of Concern, which includes Martis Valley. The projections show Truckee moderating to a long term average annual growth rate of about 2.3 percent, while the Environs and the Area of Concern increase slightly to about 2.4 percent per year. This reflects the assumption that as growth continues in the future, the surrounding areas will grow at comparable rates to Truckee.

Table 3-8 presents a projection of the retail purchasing power, or demand, for the year 2015 for the Town of Truckee, the Truckee Environs and the Area of Concern. The total demand from permanent residents, seasonal residents and transient sources is estimated to support taxable retail sales of \$161.16 million. Demand from the permanent residents is estimated at 40.8 percent of the total, while the percentage from seasonal residents is estimated at 30.4 percent. The remaining 28.8 percent of retail demand is estimated to be from transient sources. This percentage may increase if more regional serving retailers are added in the primary market areas.

Permanent Residents. Retail purchasing power from the permanent residents of Truckee, Truckee Environs and the Area of Concern in the year 2015 is projected at \$65.82 million, representing an increase of about \$28.79 million from 1992. The majority of this purchasing power is projected from the Truckee units which comprise an estimated 6,262 units, or about 66.8 percent of total units.

Seasonal Residents. The estimated retail purchasing power of the seasonal residents for the year 2015 is estimated at some \$48.97 million. As with the permanent resident estimation, those units located within the Town of Truckee comprise the largest component of the taxable retail purchasing power at about \$25.91 million, or about 52.9 percent of the total. Retail demand from transient sources is projected at \$46.36 million, maintaining the same proportion of total retail sales at 15.2 percent.

3.3.5 Estimated Commercial Acreage Demand for 2015

Table 3-9 presents an overview of the commercial acreage estimated to be supportable from the projection of new housing units and lack of existing retail space based on sales leakage estimates. As shown in Table 3-9, a total of 67.71 acres of supportable retail acres is estimated.

Incremental Growth. The estimation of supportable retail acres from incremental growth is derived by taking the projected retail sales of \$161.16 million for 2015 less the existing retail sales of \$91.03 million in 1992 for an increment of \$70.13 million. The \$70.13 million figure is then divided by the average taxable retail sales of \$135 per square foot

TABLE 3-8
TOWN OF TRUCKEE
ESTIMATION OF 2015 TAXABLE RETAIL PURCHASING POWER

| Area | Permanent Residents | | | | | Percent of Total Taxable Retail Sales |
|------------------|--------------------------------|-------------------------------|---|--|---|--|
| | Permanent Occupied Units | Median Household Income | Estimated Purchasing Capture ¹ | Estimated Aggregate EBI ² | Taxable Retail Sales ³ | |
| Truckee | 6,262 | \$40,012 | 60.0% | \$117,705,445 | \$46,293,552 | |
| Truckee environs | 345 | 24,708 | 60.0% | 4,001,335 | 1,573,725 | |
| Area of concern | <u>2,767</u> | 35,121 | 60.0% | <u>45,658,640</u> | <u>17,957,543</u> | |
| | 9,374 | | | \$167,365,420 | \$65,824,820 | 40.8% |

| Seasonal Residents | | | | | | |
|-------------------------------|-------------------------------|------------------------------------|-------------------------------|----------------------------|-------------------|-------|
| Seasonal Occupied Units | Median Household Income | Estimated Purchasing Capture | Estimated Aggregate EBI | Taxable Retail Sales | | |
| Truckee | 7,009 | \$40,012 | 30.0% | \$65,879,002 | \$25,910,211 | |
| Truckee environs | 1,294 | 24,708 | 30.0% | 7,511,940 | 2,954,446 | |
| Area of concern | <u>6,198</u> | 35,121 | 30.0% | <u>51,131,239</u> | <u>20,109,916</u> | |
| | 14,501 | | | \$124,522,180 | \$48,974,573 | 30.4% |

| Total of Seasonal and Permanent | | | | |
|---------------------------------|-------------------------------|----------|-------------------------------|----------------------------|
| Units | Median Household Income | | Estimated Aggregate EBI | Taxable Retail Sales |
| Truckee | 13,271 | \$40,012 | \$183,584,447 | \$72,203,763 |
| Truckee environs | 1,639 | 24,708 | 11,513,275 | 4,528,171 |
| Area of concern | <u>8,965</u> | 35,121 | <u>96,789,879</u> | <u>38,067,459</u> |
| | 23,875 | | \$291,887,600 | \$114,799,393 |

| | | |
|--------------------------------|---------------|--------|
| Transient Taxable Retail Sales | \$46,359,381 | 28.8% |
| Total Taxable Retail Sales | \$161,158,775 | 100.0% |

- Notes:
1. Estimated purchasing capture is the estimated amount captured in Truckee.
 2. EBI = Effective Buying Income equals 0.783 times total aggregate income.
 3. Taxable retail sales equals 0.393 times EBI.

Source: Stanley R. Hoffman Associates, Inc.

**TABLE 3-9
TOWN OF TRUCKEE
ESTIMATION OF COMMERCIAL ACRES: 2015**

Incremental Growth

| | |
|--------------------------------------|-------------------|
| Total Taxable Retail Sales | |
| Buildout 2015 | \$161,158,775 |
| Existing 1992 | <u>91,025,000</u> |
| Taxable Retail Sales Increment | \$70,133,775 |
| Taxable retail sales per square foot | \$135 |
| Supportable square feet | 519,509 |
| Commercial floor area ratio | 0.20 |
| Total land square feet | 2,597,547 |
| Square feet per acre | 43,560 |
| Supportable retail acres | 59.63 |

Existing Demand

| | |
|--------------------------------------|-------------|
| Deficiency | \$9,503,240 |
| Taxable retail sales per square foot | \$135 |
| Estimated square feet | 70,394 |
| Commercial floor area ratio | 0.20 |
| Total land square feet | 351,972 |
| Square feet per acre | 43,560 |
| Supportable retail acres | 8.08 |

Total

| | |
|--------------------------|-------|
| Supportable retail acres | 67.71 |
|--------------------------|-------|

Source: Stanley R. Hoffman Associates, Inc.
Town of Truckee

for the Town of Truckee to yield an increment of 519.5 thousand square feet. The estimated 519.5 thousand building square feet is then divided by the overall commercial floor area ratio (FAR), about 0.20 for the Truckee area, to obtain the land square footage needed for commercial sites. The land square footage (2,547,947) is then divided by the number of square feet in one acre, 43,560, for a total of 59.63 acres.

Existing Demand. Total net new supportable retail acres under existing demand conditions are estimated at 8.08 acres. For the existing demand, the current deficiency of \$9.50 million is estimated by totalling those retail categories which exhibit retail leakage from the area from the residual purchasing power analysis presented in Table 3-7. It is assumed that sales in these categories are lost to the surrounding areas outside the Town of Truckee. About 85.3 percent of the leakage is estimated from the general merchandise stores and the auto dealers and auto supplies categories.

The estimated 70.4 thousand building square feet is then divided by the overall commercial floor area ratio (FAR) of 0.20 to yield the land square footage estimated at 352.0 thousand square feet. The land square footage then converts to 8.08 acres.

Total Commercial Acreage Demand. As presented in Table 3-9, projected supportable retail acreage is 67.71.

3.4 Industrial Market

The industrial market in Truckee has largely been serving the smaller user occupying about 1,000 to 1,500 square feet of space. Many of these users serve the local or regional market and perform automotive, construction, repair, building supplies, warehousing and storage, light manufacturing and office functions. One large user occupies about 18,000 square feet, providing manufacturing related to the gaming industry, although this size of user is generally atypical for the current market.

The industrial lease rates are quoted as triple net (NNN). Triple net rates mean that the tenant pays property taxes, insurance, maintenance and utilities. Lease rates range from \$0.65 per square foot for lower quality space to \$0.85 per square foot for average quality space. Class A space leases for about \$1.00 per square foot, although in some centers the rates have been quoted as high as \$1.35 per square foot for selected uses. Users of industrial space in Truckee generally pay a premium because of the higher construction costs in the area, the climate and the lack of industrial sites. Also, distribution activities can be hindered during the winter months. In comparison, industrial space in the Reno area is quoted to range from \$0.20 to \$0.30 per square foot/NNN.

Vacancies are relatively low, estimated currently at about 2,500 square feet. This vacancy is partially a function of the relatively small amount of supply and the non-industrial nature of the area. Many of the industrial space users could be classified as commercial services serving the local market. Truckee has not been an active area for

industrial development with about 188,000 square feet of existing industrial space currently estimated, based on a parcel level study recently prepared for the Town.

Also, large sites are generally not readily available. For example, one large industrial user occupies 18,000 square feet, but is planning to relocate to Reno where the land prices in the \$2.00 to \$2.50 per square foot range are significantly below the \$5.00 per square foot price in Truckee. Also, it was indicated that their expansion needs of about 30,000 square feet could not be currently accommodated in Truckee.

The next chapter presents a projection of industrial employment and related space demand. While the Truckee area has not historically experienced strong industrial growth, some modest expansion of the industrial base is projected with much the same mix of tenants as currently exists.

CHAPTER 4

ECONOMIC AND DEMOGRAPHIC PROJECTIONS

This chapter presents and discusses the long range population, housing and employment projections prepared for the General Plan program for the Town of Truckee. These projections are summarized below and presented in detail in the following sections.

**Town of Truckee
Economic and Demographic Summary Data**

| | Historic Levels | | Projected Levels | |
|---------------------|-----------------|--------|------------------|--------|
| | 1985 | 1995 | 2005 | 2015 |
| Total Employment | 3,401 | 5,225 | 6,776 | 8,109 |
| Total Population | 7,226 | 11,791 | 14,417 | 17,253 |
| Total Housing Units | 5,225 | 9,039 | 11,090 | 13,271 |

The projections for Truckee are based on projections for Nevada County, the Greater Sacramento Region, Washoe County in Nevada and the total Bi-State Region. The projections for these areas are based on the following sources:

- The population projections in Report 93 P-1 "Population Projections by Race/Ethnicity for California and Its Counties, 1990 - 2040", California Department of Finance, Demographic Research Unit. These projections were used to scale the regional employment projections from the year 2000 to the year 2015.
- The population, housing unit and employment projections in the report Washoe County Consensus Forecast, 1993 - 2015 from the Washoe County Department of Comprehensive Planning.
- Employment growth data for Truckee is based on ZIP code information in County Business Patterns, from the U.S. Department of Commerce.
- The Employment Development Department Annual Planning Information reports for the counties of Nevada, Placer, El Dorado, Sacramento and Yuba were used to estimate the employment database and provide industry level projections for the 1994 to 2000 period.
- The consultant's economic model and projections for the Bi-State Region, including the Sacramento and Yuba City MSAs, Nevada County, and Washoe County, Nevada.

- A geographic breakdown of the Nevada County and Truckee area projections, based on historic capture rates and characteristics of the local Truckee economy.
- Projections for the Truckee General Plan are based on the consultant's growth analysis for the 1985 -1994 period, and the General Plan holding capacity.

These projections are based on a number of assumptions, including a recovery from the current recession; an addition of 6 million jobs in California by the year 2010, with comparable growth rates in the following decades.

4.1 Regional Growth Trends and Projections

This section presents historic levels and projections for Nevada County, Washoe County, the Greater Sacramento Region and the total Bi-State Region.

The regional growth trends indicate some important background information for Truckee:

- Nevada County has been growing faster than the region. The County's projected growth rates will continue to outpace the region, however growth rates are projected to slow.
- Washoe County has historically grown at a slower rate than the region. However, growth rates for Washoe County are projected to outpace growth in the region.

4.1.1 Historic Trends

The historic growth trends clearly show that while growth in Nevada County was driven by the regional growth in the Greater Sacramento Region and Washoe County, the County also served as a destination for businesses and new households.

Over the 1985 to 1994 period, Nevada County experienced faster population, housing and employment growth rates than the Greater Sacramento Region, Washoe County and the total Bi-State Region. Population and housing units increased by 37 percent and 32 percent from their 1985 levels over this period. As shown in Table 4-1, this growth represents an average annual growth rate of 3.6 percent for population and 3.2 percent for housing units. Nevada County employment increased by nearly 49 percent of its 1985 level. Employment growth far outpaced employment growth in the region, at an average annual rate of 4.5 percent.

During this same historic period from 1985 to 1994, the population of Washoe County increased from 222,989 to 280,273, an increase of 57,284. Jobs expanded by 27,914 from 134,128 to 162,041, at an average annual rate of 2.1 percent. Washoe County's housing grew from 98,539 units to 119,976 over the 1985-1994 period. These additional 21,437 units represented an average annual growth rate of 2.2 percent.

TABLE 4-1
TOWN OF TRUCKEE GENERAL PLAN
HISTORIC EMPLOYMENT, HOUSING AND POPULATION
BI-STATE REGION

| | Historic Levels | | Historic Growth Increment | Annual Average Growth Rate |
|----------------------------------|-----------------|-----------|---------------------------|----------------------------|
| | 1985 | 1994 | 1985-1994 | 1985-1994 |
| Nevada County | | | | |
| <u>Employment</u> | | | | |
| Basic manufacturing | 2,150 | 2,598 | 448 | 2.1% |
| Basic non-manufacturing | 3,090 | 4,775 | 1,685 | 5.0% |
| Local serving | 13,765 | 20,899 | 7,134 | 4.7% |
| Total | 19,005 | 28,272 | 9,267 | 4.5% |
| Housing Units | 31,182 | 41,236 | 10,054 | 3.2% |
| Population | 63,484 | 87,172 | 23,688 | 3.6% |
| Washoe County | | | | |
| <u>Employment</u> | | | | |
| Basic manufacturing | 9,351 | 9,375 | 24 | 0.0% |
| Basic non-manufacturing | 57,530 | 71,499 | 13,969 | 2.4% |
| Local serving | 67,247 | 81,167 | 13,921 | 2.1% |
| Total | 134,128 | 162,041 | 27,914 | 2.1% |
| Housing Units | 98,539 | 119,976 | 21,437 | 2.2% |
| Population | 222,989 | 280,273 | 57,284 | 2.6% |
| Greater Sacramento Region | | | | |
| <u>Employment</u> | | | | |
| Basic manufacturing | 36,950 | 43,430 | 6,480 | 1.8% |
| Basic non-manufacturing | 191,594 | 220,801 | 29,207 | 1.6% |
| Local serving | 343,597 | 479,518 | 135,921 | 3.8% |
| Total | 572,141 | 743,749 | 171,608 | 3.0% |
| Housing Units | 556,941 | 707,763 | 150,822 | 2.7% |
| Population | 1,346,475 | 1,774,918 | 428,443 | 3.1% |
| Total Bi-State Region | | | | |
| <u>Employment</u> | | | | |
| Basic manufacturing | 48,451 | 55,403 | 6,952 | 1.5% |
| Basic non-manufacturing | 252,214 | 297,075 | 44,861 | 1.8% |
| Local serving | 424,608 | 581,584 | 156,976 | 3.6% |
| Total | 725,273 | 934,062 | 208,789 | 2.9% |
| Housing Units | 686,662 | 868,975 | 182,313 | 2.7% |
| Population | 1,632,948 | 2,142,363 | 509,415 | 3.1% |

Source: Stanley R. Hoffman Associates, Inc.

Over the 1985 to 1994 period, the Greater Sacramento Region gained 428,443 people, increasing from a population of 1,346,475 to 1,774,918--at an average annual growth rate of 3.1 percent. The Greater Sacramento Region added 171,608 jobs over the same period, that is employment grew at an annual rate of 3.0 percent. Housing unit growth in the Greater Sacramento Region experienced an even slower rate of 2.7 percent annually.

The historical growth trends of the total Bi-State Region are very similar to the Greater Sacramento Region. Population grew at an average annual growth rate of 3.1 percent, while employment grew at a slower rate of 2.9 percent. Housing unit growth experienced an average annual growth rate of 2.7 percent.

4.1.2 Projections

The projected growth increments for the 1994 to 2005 period and the 2005 to 2015 period are shown in Table 4-2.

1994 to 2005 Projected Growth. Housing growth rates in Nevada County, the Greater Sacramento Region and the total Bi-State Region are projected to decrease over historical trends, while Washoe County housing growth rates are projected to remain at historical levels. All areas are projected to experience slower population growth rates over the 1994 to 2005 period than experienced from 1985 to 1994. Washoe County is projected to experience a faster employment growth rate than over the historical period, while all other areas are projected to have slower employment growth rates over the 1994 to 2005 period.

Nevada County is projected to continue growing faster than Washoe County, the Greater Sacramento Region and the Bi-State Region. Over the 1994 to 2005 period, population and housing growth is projected to grow at an annual average rates of 3.0 and 3.1 percent, while employment growth is projected to slow from its historical growth rate to an average annual rate of 3.2 percent.

Washoe County population growth is projected to slow to a 2.3 percent average annual rate, while growth in employment is projected to increase over the 1994 to 2005 period to 2.6 percent annually. Housing is projected to continue its historical growth rate of 2.2 percent annually.

The Greater Sacramento Region is projected to slow in population, housing and employment growth over the 1994 to 2005 period when compared with its historical growth rates. Population growth is projected at a 2.3 percent annual rate, down from its 3.1 percent annual historical growth rate. The average annual growth rate for housing is projected at 2.2 percent, while employment is projected to grow at 1.6 percent per year.

Growth rates for the total Bi-State Region are projected to slow to rates very similar to the Greater Sacramento Region. However, because of the faster growth rates projected

TABLE 4-2
PROJECTED EMPLOYMENT, HOUSING AND POPULATION
BI-STATE REGION

| Existing | Projected | | Projected Increments | | Average Annual Growth Rates | |
|----------|-----------|------|----------------------|-----------|-----------------------------|-----------|
| 1994 | 2005 | 2015 | 1994-2005 | 2005-2015 | 1994-2005 | 2005-2015 |

Nevada County

Employment

| | | | | | | | |
|-------------------------|--------|---------|---------|--------|--------|------|------|
| Basic manufacturing | 2,598 | 3,366 | 3,915 | 768 | 549 | 2.4% | 1.5% |
| Basic non-manufacturing | 4,775 | 6,735 | 8,248 | 1,960 | 1,512 | 3.2% | 2.0% |
| Local serving | 20,899 | 29,759 | 36,508 | 8,860 | 6,749 | 3.3% | 2.1% |
| Total | 28,272 | 39,860 | 48,670 | 11,588 | 8,810 | 3.2% | 2.0% |
| Housing Units | 41,236 | 57,518 | 70,231 | 16,282 | 12,713 | 3.1% | 2.0% |
| Population | 87,172 | 120,788 | 147,485 | 33,616 | 26,697 | 3.0% | 2.0% |

Washoe County

Employment

| | | | | | | | |
|-------------------------|---------|---------|---------|--------|--------|------|------|
| Basic manufacturing | 9,375 | 10,371 | 11,496 | 996 | 1,125 | 0.9% | 1.0% |
| Basic non-manufacturing | 71,499 | 94,802 | 114,012 | 23,303 | 19,210 | 2.6% | 1.9% |
| Local serving | 81,167 | 110,301 | 134,698 | 29,134 | 24,397 | 2.8% | 2.0% |
| Total | 162,041 | 215,475 | 260,206 | 53,434 | 44,731 | 2.6% | 1.9% |
| Housing Units | 119,976 | 152,819 | 184,543 | 32,843 | 31,724 | 2.2% | 1.9% |
| Population | 280,273 | 359,125 | 433,677 | 78,852 | 74,552 | 2.3% | 1.9% |

Greater Sacramento Region

Employment

| | | | | | | | |
|-------------------------|-----------|-----------|-----------|---------|---------|------|------|
| Basic manufacturing | 43,430 | 53,225 | 60,904 | 9,795 | 7,679 | 1.9% | 1.4% |
| Basic non-manufacturing | 220,801 | 255,852 | 286,517 | 35,051 | 30,665 | 1.3% | 1.1% |
| Local serving | 479,518 | 576,327 | 663,502 | 96,809 | 87,176 | 1.7% | 1.4% |
| Total | 743,749 | 885,404 | 1,010,924 | 141,655 | 125,520 | 1.6% | 1.3% |
| Housing Units | 707,763 | 902,896 | 1,036,146 | 195,133 | 133,250 | 2.2% | 1.4% |
| Population | 1,774,918 | 2,271,492 | 2,600,247 | 496,574 | 328,755 | 2.3% | 1.4% |

Total Bi-State Region

Employment

| | | | | | | | |
|-------------------------|-----------|-----------|-----------|---------|---------|------|------|
| Basic manufacturing | 55,403 | 66,962 | 76,315 | 11,559 | 9,353 | 1.7% | 1.3% |
| Basic non-manufacturing | 297,075 | 357,390 | 408,777 | 60,315 | 51,387 | 1.7% | 1.4% |
| Local serving | 581,584 | 716,387 | 834,708 | 134,803 | 118,321 | 1.9% | 1.5% |
| Total | 934,062 | 1,140,739 | 1,319,800 | 206,677 | 179,061 | 1.8% | 1.5% |
| Housing Units | 868,975 | 1,113,233 | 1,290,920 | 244,258 | 177,687 | 2.3% | 1.5% |
| Population | 2,142,363 | 2,751,404 | 3,181,409 | 609,041 | 430,005 | 2.3% | 1.5% |

Source: Stanley R. Hoffman Associates, Inc.

for Washoe County, the Bi-State Region is projected to have slightly faster growth in housing and employment than the Greater Sacramento Region.

2005 to 2015 Projected Growth. Nevada County is projected to have the faster population, housing and employment growth rates of all the areas over the 2005 to 2015 period, at 2.0 percent annually. Growth rates for Washoe County are close to those of Nevada County, at a 1.9 percent average annual rate of growth.

Housing growth is projected to increase at an average annual rate of 1.4 percent over the 2005 to 2015 period for the Greater Sacramento Region and 1.5 percent annually for the Bi-State Region. Population growth rates are very similar for the two regions, with the Greater Sacramento Region projected to increase at 1.4 percent annually and the Bi-State Region projected to increase at 1.5 percent annually. The total Bi-State Region is projected to gain jobs at an average annual rate of 1.5 percent over the 2005 to 2015 period, while the Greater Sacramento Region is projected to increase its employment at an average annual rate of 1.3 percent.

4.1.3 Nevada County Employment Distribution

The Nevada County historic and projected employment is presented in detail in Table 4-3. In preparing employment projections, the data are presented in different categories. Basic employment activities bring in income to the community from outside demand sources and local serving activities primarily serve local residents and businesses. The following breakdown of employment is presented:

- Basic manufacturing
- Basic non-manufacturing
- Local serving

Basic manufacturing employment represents industries producing goods and services serving markets beyond the area in which they are located. These industries include food products, metal fabrication and high technology manufacturing. Basic non-manufacturing employment includes agriculture, long distance transportation, wholesale trade, business services and federal and state government

Local serving employment is generated by basic employment and housing growth in the local area and principally serves local demand. These industries include construction; local transportation, communication and utilities; retail trade; finance, insurance and real estate; services related to hotels, business, personal, educational, health and recreational industries; local government; and self employed.

The mix of basic manufacturing, basic non-manufacturing and local serving employment for Nevada County is summarized below.

TABLE 4-3
HISTORIC AND PROJECTED EMPLOYMENT
NEVADA COUNTY

| SIC | Industrial Category | Historic Levels | | Projected Levels | | Historic Growth | Projected Growth | |
|---------------------------------------|----------------------------------|-----------------|--------------|------------------|--------------|-----------------|------------------|--------------|
| | | 1985 | 1994 | 2005 | 2015 | 1985-1994 | 1994-2005 | 2005-2015 |
| <u>Basic Manufacturing</u> | | | | | | | | |
| 24 | Lumber and wood products | 425 | 270 | 310 | 353 | (155) | 40 | 43 |
| Other 20-39 | Other manufacturing | <u>1,725</u> | <u>2,328</u> | <u>3,056</u> | <u>3,562</u> | <u>603</u> | <u>728</u> | <u>506</u> |
| | Subtotal | 2,150 | 2,598 | 3,366 | 3,915 | 448 | 768 | 549 |
| <u>Basic Non-manufacturing</u> | | | | | | | | |
| 01-09 | Agriculture, forestry, fisheries | 75 | 86 | 86 | 86 | 11 | 0 | 0 |
| 10-14 | Mining | 51 | 97 | 97 | 97 | 46 | 0 | 0 |
| 40-42, 44-47 | Transportation | 207 | 208 | 232 | 259 | 1 | 24 | 27 |
| 50 | Wholesale trade | 325 | 591 | 1,320 | 1,840 | 266 | 729 | 520 |
| 70 | Hotels and motels | 225 | 386 | 702 | 917 | 161 | 316 | 215 |
| 73, 75, 76, 78, 79, 87 | Basic services | 1,457 | 2,686 | 3,582 | 4,317 | 1,229 | 896 | 735 |
| | Federal and state government | <u>750</u> | <u>721</u> | <u>717</u> | <u>732</u> | <u>(29)</u> | <u>(4)</u> | <u>15</u> |
| | Subtotal | 3,090 | 4,775 | 6,735 | 8,248 | 1,685 | 1,960 | 1,512 |
| <u>Local Serving</u> | | | | | | | | |
| 15-17 | Construction | 924 | 1,609 | 2,385 | 3,108 | 685 | 776 | 723 |
| 48, 49 | Communication and utilities | 268 | 320 | 517 | 616 | 52 | 197 | 99 |
| 52-59 | Retail trade | 3,825 | 5,245 | 7,223 | 8,519 | 1,420 | 1,978 | 1,296 |
| 60-67 | Finance, insurance, real estate | 825 | 1,531 | 1,957 | 2,386 | 706 | 426 | 429 |
| 72, 80, 81, 84-86, 89 | Local services | 1,868 | 3,208 | 4,799 | 6,171 | 1,340 | 1,591 | 1,372 |
| | Local government | 2,425 | 3,586 | 5,067 | 6,061 | 1,161 | 1,481 | 994 |
| | Self employed | <u>3,630</u> | <u>5,400</u> | <u>7,812</u> | <u>9,647</u> | <u>1,770</u> | <u>2,412</u> | <u>1,835</u> |
| | Subtotal | 13,765 | 20,899 | 29,759 | 36,508 | 7,134 | 8,860 | 6,749 |
| | TOTAL | 19,005 | 28,272 | 39,860 | 48,670 | 9,267 | 11,588 | 8,810 |

Source: Stanley R. Hoffman Associates, Inc.

Basic Manufacturing. The share of basic manufacturing has declined to 9.2 percent of total employment in 1994 from 11.3 percent of total employment in 1985. While overall basic manufacturing experienced a net gain of 448 jobs over the 1985 to 1994 period the situation is mixed within manufacturing categories. Lumber and wood products lost 155 jobs over this period, and other manufacturing gained 603 jobs.

Basic manufacturing is projected to account for 8.6 percent of all employment in Nevada County in 2005, and 8.4 percent of all employment in 2015. Lumber and wood products are projected to gain 40 jobs over the 1994 to 2005 period and 43 jobs over the 2005 to 2015 period. Other manufacturing is projected to gain 728 jobs over the 1994 to 2005 period and 506 jobs over the 2005 to 2015 period.

Nevada County
Historic and Projected Employment

| Employment Category | Historic Share of Total Employment | | Projected Share of Total Employment | |
|--------------------------|------------------------------------|-------|-------------------------------------|-------|
| | 1985 | 1994 | 2005 | 2015 |
| Basic Manufacturing | 11.3% | 9.2% | 8.6% | 8.4% |
| Basic Non- Manufacturing | 16.3% | 16.9% | 17.1% | 17.2% |
| Local Serving | 72.4% | 73.9% | 74.3% | 74.4% |

Basic Non-manufacturing. The share of basic non-manufacturing employment increased to 16.9 percent in 1994 from 16.3 percent in 1985. Some 1,685 basic non-manufacturing jobs were added over this period. Basic services added nearly 73 percent of these jobs at 1,229; followed by wholesale trade with 266 new jobs.

The share of basic non-manufacturing jobs is projected to increase to 17.1 percent by the year 2005. Of the 1,960 jobs projected to be added over the 1994 to 2005 period, basic services will account for 46 percent, wholesale trade will account for 37 percent and hotels and motels will account for 16 percent of the jobs in this category. The remaining basic non-manufacturing jobs will be in transportation.

Projected basic non-manufacturing jobs are projected to account for about the same share of total jobs in 2015 as they did in 2005, about 17.2 percent of all jobs. Basic services are projected to add the largest number of jobs at 735 jobs, followed by wholesale trade at 520 jobs. Hotels and motels are projected to account for about 14 percent of jobs added over this period with 215 jobs. Transportation is projected to add 27 jobs and 15 state and federal government jobs are projected.

Local Serving. Local serving jobs account for the largest share of all jobs throughout the historic and projected periods. And local serving jobs are projected to account for larger shares of total employment in 2005 and 2015.

Of the 7,134 local serving jobs added over the 1985 to 1994 period, the largest number of jobs were in the self employed category. The next largest number of jobs added over this period were in retail trade, followed by local services as hotels and motels, business, personal, educational, health and recreational industries. Local government accounted for the next large number of jobs over the historical period, followed by finance, insurance and real estate (FIRE). Some 685 construction jobs were added over the 1985 to 1994 period, with the remaining local serving jobs in communication and utilities.

The local serving job mix is projected to remain relatively stable over the projection periods, with the largest share of jobs in the self employed category. Over the 1994 to 2005 period retail trade will add the second largest number of jobs, followed by local services and local government. Construction jobs are projected to increase their share of total jobs while the share of FIRE jobs is projected to decline.

Over the 2005 to 2015 projection period, the self employed category is projected to be followed by local services in terms of the number of new jobs. Retail trade is projected to add the third largest number of jobs over this period, followed by local government; construction; finance, insurance and real estate; and communications and utilities.

4.2. Truckee Area Projections

The projections for the Truckee area have been prepared through the following steps:

- First, projections of basic employment have been based on Nevada County projections and estimated Truckee capture rates, based on historic trends.
- Second, projections of local serving employment, housing and population have been based on economic and demographic characteristics of Truckee, and the basic employment projections.

4.2.1 Employment, Population and Housing Projections

The following discussion describes the specific aspects of the Truckee projections, including the projected basic industries, the overall structure of the local economy, and the local serving employment, housing and population projections.

Basic Employment. Table 4-4 presents the projections of basic employment. For Nevada County, some 768 additional manufacturing jobs are projected for the 1994-2005 period, and 549 manufacturing jobs are projected for the 2005-2015 period. Truckee is assumed to capture 15 percent of this growth, resulting in an addition of 115 manufacturing jobs between 1994 and 2005; and 82 manufacturing jobs between 2005 and 2015. The assumption that the Truckee area will capture 15 percent of manufacturing job growth in the county is based on historic trends in employment capture, and the expected position of Truckee as a regional center for the north Lake Tahoe basin.

TABLE 4-4
BASIC EMPLOYMENT: NEVADA COUNTY AND TRUCKEE CAPTURE

| SIC | Industrial Category | Historic Levels | | Projected Levels | | Historic Growth | Projected Growth | |
|-----|---------------------|-----------------|------|------------------|------|-----------------|------------------|-----------|
| | | 1985 | 1994 | 2005 | 2015 | 1985-1994 | 1994-2005 | 2005-2015 |

NEVADA COUNTY EMPLOYMENT

Basic Manufacturing

| | | | | | | | | |
|-------------|--------------------------|--------------|--------------|--------------|--------------|------------|------------|------------|
| 24 | Lumber and wood products | 425 | 270 | 310 | 353 | (155) | 40 | 43 |
| Other 20-39 | Other manufacturing | <u>1,725</u> | <u>2,328</u> | <u>3,056</u> | <u>3,562</u> | <u>603</u> | <u>728</u> | <u>506</u> |
| | Subtotal | 2,150 | 2,598 | 3,366 | 3,915 | 448 | 768 | 549 |

Basic Non-manufacturing

| | | | | | | | | |
|-------------------|----------------------------------|------------|------------|------------|------------|-------------|------------|-----------|
| 01-09 | Agriculture, forestry, fisheries | 75 | 86 | 86 | 86 | 11 | 0 | 0 |
| 10-14 | Mining | 51 | 97 | 97 | 97 | 46 | 0 | 0 |
| 40-42,44-47 | Transportation | 207 | 208 | 232 | 259 | 1 | 24 | 27 |
| 50 | Wholesale trade | 325 | 591 | 1,320 | 1,840 | 266 | 729 | 520 |
| 70 | Hotels and motels | 225 | 386 | 702 | 917 | 161 | 316 | 215 |
| 73,75,76,78,79,87 | Basic services | 1,457 | 2,686 | 3,582 | 4,317 | 1,229 | 896 | 735 |
| | Federal and state government | <u>750</u> | <u>721</u> | <u>717</u> | <u>732</u> | <u>(29)</u> | <u>(4)</u> | <u>15</u> |
| | Subtotal | 3,090 | 4,775 | 6,735 | 8,248 | 1,685 | 1,960 | 1,512 |

TRUCKEE COMMUNITY

| Estimated Capture of County Growth | Employment | | | | | | | |
|---|-----------------|------------|------------------|------------|-----------------|------------------|-----------|--|
| | Historic Levels | | Projected Levels | | Historic Growth | Projected Growth | | |
| | 1985 | 1994 | 2005 | 2015 | 1985-1994 | 1994-2005 | 2005-2015 | |
| 24 | 24 | 50 | 56 | 62 | 26 | 6 | 6 | |
| Other 20-39 | <u>54</u> | <u>112</u> | <u>221</u> | <u>297</u> | <u>58</u> | <u>109</u> | <u>76</u> | |
| | 78 | 162 | 277 | 359 | 84 | 115 | 82 | |

Basic Manufacturing

| | | | | | | | | | |
|-------------|--------------------------|-----|-----------|------------|------------|------------|-----------|------------|-----------|
| 24 | Lumber and wood products | 15% | 24 | 50 | 56 | 62 | 26 | 6 | 6 |
| Other 20-39 | Other manufacturing | 15% | <u>54</u> | <u>112</u> | <u>221</u> | <u>297</u> | <u>58</u> | <u>109</u> | <u>76</u> |
| | Subtotal | | 78 | 162 | 277 | 359 | 84 | 115 | 82 |

Basic Non-manufacturing

| | | | | | | | | | |
|-------------------|----------------------------------|-----|------------|------------|------------|------------|-----------|----------|----------|
| 01-09 | Agriculture, forestry, fisheries | NA | 27 | 60 | 60 | 60 | 33 | 0 | 0 |
| 10-14 | Mining | NA | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 40-42,44-47 | Transportation | 5% | 10 | 10 | 11 | 12 | 0 | 1 | 1 |
| 50 | Wholesale trade | 5% | 56 | 75 | 111 | 137 | 19 | 36 | 26 |
| 70 | Hotels and motels | 10% | 36 | 90 | 122 | 143 | 54 | 32 | 21 |
| 73,75,76,78,79,87 | Basic services | 10% | 208 | 243 | 333 | 407 | 35 | 90 | 74 |
| | Federal and state government | 10% | <u>163</u> | <u>249</u> | <u>249</u> | <u>250</u> | <u>86</u> | <u>0</u> | <u>1</u> |
| | Subtotal | | 500 | 727 | 886 | 1,009 | 227 | 159 | 123 |

Source: Stanley R. Hoffman Associates, Inc.

=key assumptions

For non-manufacturing basic employment, the Truckee capture rates are estimated at 5 percent for transportation and wholesale trade; 10 percent for federal and state government and basic services; and 10 percent for hotels and motels. As for manufacturing activities, these capture rates are based on historic observations, and the expected role of Truckee in its regional economy. The capture assumptions result in a projection of 159 added non-manufacturing jobs over the 1994 to 2005 period; and 123 jobs from 2005 to 2015.

Local Serving Employment. The projections of local serving employment for Truckee are shown in Table 4-5. These projections are derived from the basic employment projections, and the observed relationships in Truckee between basic and local serving employment. As shown in Table 4-5, the Truckee economy consists predominantly of local serving jobs--with 4,155 local serving jobs as compared with only 889 basic jobs in 1994.

This economic structure exists for the following reasons:

- The Truckee area has historically not been a center for basic jobs because of its remote location, higher costs of construction and operation and lack of a large labor force.
- Local serving employment is strong because Truckee serves as a trade center for a large trading hinterland and receives additional demand through travel and tourism.

While the Truckee economy is viewed as undergoing transition to support more manufacturing and other basic employment activities, the local serving employment sectors are still expected to account for the bulk of job growth. As shown in Table 4-5, an additional 1,458 local serving jobs in Truckee are projected for the 1994-2005 period; and 1,128 are projected over the period from 2005 to 2015. The most important categories of local serving employment are retail trade, local government, self employed and construction. It should be noted that local government includes special district and school district employment.

The projected growth in construction employment in Truckee over the period from 1995-2015 can be attributed to several factors.

- First, housing and employment are projected to continue expanding.
- Second, the quality and complexity of the future developments in the Town of Truckee are likely to be greater than in the past when Truckee was unincorporated, resulting in additional labor requirements.

**TABLE 4-5
TRUCKEE AREA
LOCAL SERVING EMPLOYMENT, HOUSING AND POPULATION**

| SIC | Industrial Category | Historic Levels | | Projected Levels | | Historic Growth | Projected Growth | | |
|---|--|-----------------|--------------|------------------|--------------|-----------------|------------------|--------------|--------------|
| | | 1985 | 1994 | 2005 | 2015 | 1985-1994 | 1994-2005 | 2005-2015 | 1994-2015 |
| <u>Basic Employment</u> | | | | | | | | | |
| | Manufacturing | 78 | 162 | 277 | 359 | 84 | 115 | 82 | 197 |
| | Non-manufacturing | <u>500</u> | <u>727</u> | <u>886</u> | <u>1,009</u> | <u>227</u> | <u>159</u> | <u>123</u> | <u>282</u> |
| | Subtotal | 578 | 889 | 1,163 | 1,368 | 311 | 274 | 205 | 479 |
| <u>Local Serving Employment</u> | | | | | | | | | |
| 15-17 | Construction | 352 | 558 | 748 | 895 | 206 | 190 | 147 | 337 |
| 48,49 | Communication and utilities | 45 | 29 | 39 | 46 | (16) | 10 | 7 | 17 |
| 52-59 | Retail trade | 968 | 1,254 | 1,727 | 2,091 | 286 | 473 | 364 | 837 |
| 60-67 | Finance, insurance, real estate | 195 | 463 | 620 | 742 | 268 | 157 | 122 | 279 |
| 72,80,81,84-86,89 | Local services | 278 | 365 | 489 | 585 | 87 | 124 | 96 | 220 |
| | Local government | 488 | 748 | 1,002 | 1,199 | 260 | 254 | 197 | 451 |
| | Self employed | <u>497</u> | <u>738</u> | <u>988</u> | <u>1,183</u> | <u>240</u> | <u>250</u> | <u>195</u> | <u>445</u> |
| | Subtotal | <u>2,823</u> | <u>4,155</u> | <u>5,613</u> | <u>6,741</u> | <u>1,331</u> | <u>1,458</u> | <u>1,128</u> | <u>2,586</u> |
| | TOTAL | 3,401 | 5,044 | 6,776 | 8,109 | 1,642 | 1,732 | 1,333 | 3,065 |
| <u>Local Serving Share</u> | | | | | | | | | |
| 15-17 | Construction | 0.125 | 0.134 | 0.133 | 0.133 | | | | |
| 48,49 | Communication and utilities | 0.016 | 0.007 | 0.007 | 0.007 | | | | |
| 52-59 | Retail trade | 0.343 | 0.302 | 0.308 | 0.310 | | | | |
| 60-67 | Finance, insurance, real estate | 0.069 | 0.111 | 0.110 | 0.110 | | | | |
| 72,80,81,84-86,89 | Local services | 0.098 | 0.088 | 0.087 | 0.087 | | | | |
| | Local government | 0.173 | 0.180 | 0.179 | 0.178 | | | | |
| | Self employed | 0.176 | 0.178 | 0.176 | 0.175 | | | | |
| | | 1.000 | 1.000 | 1.000 | 1.000 | | | | |
| | Ratio of Total to Basic Employment | 5.885 | 5.673 | 5.826 | 5.928 | | | | |
| <u>Summary Economic and Demographic Data</u> | | | | | | | | | |
| | Total Employment | 3,401 | 5,044 | 6,776 | 8,109 | | | | |
| | Total Population | 7,226 | 10,492 | 14,417 | 17,253 | | | | |
| | Total Housing Units | 5,255 | 8,166 | 11,090 | 13,271 | | | | |
| | Ratio of Total Employment to Population | 0.47 | 0.48 | 0.47 | 0.47 | | | | |
| | Ratio of Total Population to Housing Units | 1.38 | 1.28 | 1.30 | 1.30 | | | | |
| | Ratio of Total Employment to Housing Units | 0.65 | 0.62 | 0.61 | 0.61 | | | | |

Source: Stanley R. Hoffman Associates, Inc.

=key assumptions

- Third, the demand for special trade contractors, residential remodeling and maintenance and repair construction will increase as Truckee grows.
- Fourth, many unprecedented public works projects, particularly in roads and circulation, will create construction jobs in Truckee.
- Fifth, and finally, Truckee will have opportunities to serve as the service base for maintenance and repair, renovations and new residential and non-residential construction in North Lake Tahoe resorts and communities.

The Truckee economy shows a preponderance of local serving employment, with nearly five local serving jobs projected for every basic job. This characteristic is consistent with the difficulty of locating many basic jobs in the area; and the residential, recreation, and tourism nature of the area.

Housing and Population. Table 4-5 also shows the projections of housing units and population, which are based on historic trend ratios of employment to population, and population to housing units. Population is projected to expand from its 1994 estimated level of 10,492 to 14,417 by 2005 and to 17,253 by 2015. Housing units are estimated on the basis of 1.3 persons per unit, and are projected to increase from the 1994 level of 8,166 units to 11,090 units by 2005, and 13,271 units by 2015.

4.2.2. Land Use Projections

For use in the General Plan, the employment projections are converted into estimates of land absorption. Table 4-6 shows the factors of employees per acre. With the exception of hotels and motels, these factors are based on an assumption of a 0.20 floor area ratio (FAR) for all types of development, based on advice from the Town of Truckee. The floor area ratio (or FAR) refers to the ratio of building area to the total site area. For example, an FAR of 0.20 represents a building area of 8,712 square feet on one acre, which is comprised of 43,560 square feet. This building of 8,712 square feet is then estimated to accommodate employment based on industry standards. For example, retail trade is estimated to use 600 square feet per employee; manufacturing is estimated to use 750 square feet per employee; basic services is estimated to use 400 square feet per employee, and so forth. Employees per acre are then defined as square feet per acre divided by square feet per employee. In all cases, employees per acre are rounded downward to the nearest whole employee.

For hotels and motels, the analysis assumes 0.50 employees per room (based on a mix of motor lodge, hotel and bed and breakfast development) and 30 rooms per acre, resulting in a factor of 15 employees per acre.

The land use factors range from a low of 8 employees per acre for construction, transportation and wholesale trade, to a high of 21 employees per acre for

TABLE 4-6
TOWN OF TRUCKEE GENERAL PLAN
TRUCKEE AREA
ESTIMATES OF EMPLOYEES PER ACRE

| | | Square Feet per Acre @ 0.20 FAR ¹ | Square Feet per Employee | Employees per Acre |
|---|-------------------------------------|--|-----------------------------|-----------------------|
| Basic Manufacturing Employment | | | | |
| 24 | Lumber and wood products | 8,712 | 750 | 11 |
| Other 20-39 | Other manufacturing | 8,712 | 750 | 11 |
| Basic Non-manufacturing Employment | | | | |
| 01-09 | Agriculture, forestry, fisheries | NA | NA | NA |
| 10-14 | Mining | NA | NA | NA |
| 40-42, 44-47 | Transportation | 8,712 | 1,000 | 8 |
| 50 | Wholesale trade | 8,712 | 1,000 | 8 |
| 70 | Hotels and motels | NA | NA | 15 |
| 73, 75, 76, 78, 79, 87 | Basic services | 8,712 | 400 | 21 |
| | Federal and state government | 8,712 | 400 | 21 |
| Local Serving Employment | | | | |
| 15-17 | Construction | 8,712 | 1,000 | 8 |
| 48, 49 | Communication and utilities | 8,712 | 400 | 21 |
| 52-59 | Retail trade | 8,712 | 600 | 14 |
| 60-67 | Finance, insurance, and real estate | 8,712 | 400 | 21 |
| 72, 80, 81, 84-86, 89 | Local services | 8,712 | 400 | 21 |
| | Local government | 8,712 | 400 | 21 |
| | Self employed | 8,712 | 400 | 21 |

Note: 1. FAR = Floor area ratio, the ratio of building floor space to land area.

Source: Stanley R. Hoffman Associates, Inc.
Town of Truckee

communication, utilities, and a range of finance, local service and government functions. Retail trade is estimated at 14 employees per acre, and manufacturing is estimated at 11 employees per acre.

Table 4-7 shows the land use projections for non-residential development. In summary, some 17.91 acres are estimated to be absorbed in manufacturing activities; 19.39 acres in basic non-manufacturing employment; and 169.17 acres in local serving employment. These land use acreages are based on Truckee's estimated capture rate of the projected Nevada County basic employment and the Town's observed relationships of basic employment to local serving employment.

These are acreages projected to be absorbed, and additional acreage in the General Plan may be designated to provide supply margins. Supply margins are important in the General Plan for a number of reasons:

- To provide a range of choice in the development market, without a few developers and property owners exerting excessive influence over prices and absorption
- To recognize that many parcels, for unique reasons, will never be developed
- To recognize the uncertainty in the projections process and allow for changing future conditions

4.3. Comparative Analysis of Truckee Projections

The above Truckee projections are compared with two other sets of projections:

- The projections prepared by Recht Hausrath for Nevada County, and presented in the memorandum, "Market Analysis and Development Forecasts for Nevada County," dated April 4, 1994
- The projections prepared by John Cone in June 1989 for the Nevada County Planning Department, Land Use Projections for the Truckee Community.

Table 4-8 presents the comparisons. The John Cone projections, which were originally prepared for the 1990 to 2010 period, have been extrapolated to extend to 2015. Generally, the General Plan projections for population and housing units show consistency with those prepared by Recht Hausrath, although the General Plan projections are somewhat lower. The population and housing projections prepared by John Cone are not comparable with the General Plan projections.

TABLE 4-7
TRUCKEE AREA
ESTIMATES OF ACREAGE REQUIRED TO ACCOMMODATE EMPLOYMENT GROWTH

| | | Projected Job Growth 1994-2015 | Employees per Acre | Acres Required |
|---|-------------------------------------|--------------------------------------|-----------------------|-------------------|
| Basic Manufacturing Employment | | | | |
| 24 | Lumber and wood products | 12 | 11 | 1.09 |
| Other 20-39 | Other manufacturing | <u>185</u> | 11 | <u>16.82</u> |
| | Subtotal | 197 | | 17.91 |
| Basic Non-manufacturing Employment | | | | |
| 01-09 | Agriculture, forestry, fisheries | 0 | NA | NA |
| 10-14 | Mining | 0 | NA | NA |
| 40-42,44-47 | Transportation | 2 | 8 | 0.25 |
| 50 | Wholesale trade | 62 | 8 | 7.75 |
| 70 | Hotels and motels | 53 | 15 | 3.53 |
| 73,75,76,78,79,87 | Basic services | 164 | 21 | 7.81 |
| | Federal and state government | 1 | 21 | <u>0.05</u> |
| | Subtotal | 282 | | 19.39 |
| Local Serving Employment | | | | |
| 15-17 | Construction | 337 | 8 | 42.13 |
| 48,49 | Communication and utilities | 17 | 21 | 0.81 |
| 52-59 | Retail trade | 837 | 14 | 59.79 |
| 60-67 | Finance, insurance, and real estate | 279 | 21 | 13.29 |
| 72,80,81,84-86,89 | Local services | 220 | 21 | 10.48 |
| | Local government | 451 | 21 | 21.48 |
| | Self employed | <u>445</u> | 21 | <u>21.21</u> |
| | Subtotal | 2,586 | | 169.17 |
| | TOTAL | 3,065 | | 206.47 |

Source: Stanley R. Hoffman Associates, Inc.

**TABLE 4-8
TOWN OF TRUCKEE GENERAL PLAN
COMPARISON OF GENERAL PLAN PROJECTIONS
WITH OTHER AVAILABLE PROJECTIONS**

| | Truckee General Plan | Recht Hausrath | John Cone ¹ |
|----------------------|-------------------------|-------------------|---------------------------|
| Population | | | |
| 1994 | 10,492 | 9,329 | 11,200 |
| 2015 | <u>17,253</u> | <u>17,305</u> | <u>23,333</u> |
| Growth 1994-2015 | 6,761 | 7,976 | 12,133 |
| Housing Units | | | |
| 1994 | 8,166 | 7,359 | 6,689 |
| 2015 | <u>13,271</u> | <u>13,356</u> | <u>10,356</u> |
| Growth 1994-2015 | 5,105 | 5,997 | 3,667 |
| Employment | | | |
| 1994 | 5,044 | 7,427 | 7,297 |
| 2015 | <u>8,109</u> | <u>13,032</u> | <u>12,644</u> |
| Growth 1994-2015 | 3,065 | 5,605 | 5,347 |

Source: Stanley R. Hoffman Associates, Inc
 Recht Hausrath & Associates, Market Analysis and
 Forecasts for Nevada County, April 4, 1994
 John W. Cone, Land Use Projections for the Truckee
 Community, June 1989

Note: 1. The John Cone projections were prepared for the 1990-2010 period. The 2015 projections shown have been extrapolated from the 1990-2010 projections.

On the employment side, the General Plan 1994 estimates and projections are well below both the Recht Hausrath and John Cone estimates and projections. The General Plan analysis estimates existing employment of 5,044 in Truckee, with expansion of 3,065 jobs over the projection period. Both the Recht Hausrath and John Cone projections begin with a current employment estimate of over 7,000 and project expansion of over 5,000 jobs.

The General Plan projections represent a 61 percent increase over the existing employment estimate, while the Recht Hausrath and John Cone projections represent a 75 percent increase and a 73 percent increase over their estimated existing employment.

The major difference between the General Plan employment projections and the Recht Hausrath and John Cone employment projections is attributed to the employment database for Nevada County. The General Plan database is derived from the California Employment Development Department (EDD) and the Census Transportation Planning Package (CTPP). The EDD source is used for the estimates of wage and salary employment and the CTPP source is used for estimates of self employed. The Recht Hausrath and John Cone databases are derived solely from the U.S. Bureau of Economic Analysis (BEA), Regional Economic Information System.

Table 4-9 presents the major differences between the General Plan and Recht Hausrath databases for 1994. The General Plan database estimates Nevada County employment of 28,272, consisting of 22,872 wage and salary employees and 5,400 self employed. The Recht Hausrath database shows total employment of 37,500, consisting of 24,400 wage and salary employees and 13,100 self employed. While the Recht Hausrath wage and salary data exceed those for the General Plan by only 1,528 (or about 6.7 percent), the Recht Hausrath self employed data exceed the General Plan estimates by 7,700 (about 142.7 percent).

TABLE 4-9
TOWN OF TRUCKEE GENERAL PLAN
NEVADA COUNTY
1994 EMPLOYMENT ESTIMATES

| | General Plan | Recht Hausrath | Recht Hausrath minus General Plan | Recht Hausrath percent increase over General Plan |
|---------------------------|-------------------------|---------------------------|--|--|
| Wage and salary employees | 22,872 | 24,400 | 1,528 | 6.7% |
| Self employed | <u>5,400</u> | <u>13,100</u> | <u>7,700</u> | <u>142.6%</u> |
| Total | 28,272 | 37,500 | 9,228 | 32.6% |

Source: Stanley R. Hoffman Associates, Inc.

A direct comparison between the General Plan and John Cone databases is not possible, because the John Cone report does not include estimates of wage and salary versus self employed workers for 1994. However, the John Cone report does include an estimate of total employment in Nevada County for 1986. This estimate is 26,435, based on BEA data, and is much higher than the General Plan estimate of 19,005 jobs in Nevada County in 1985.

4.4 Sensitivity Analysis of Housing and Employment Projections

Housing Projections. The housing projections were linked to the population projections through current relationships between housing and population. The annual average expansion of the housing stock in Truckee is projected at 243 units, resulting in a projection of 13,271 units in 2015. If the annual average growth of 310 units over the past four years is used instead, the 2015 projection would be 14,676 units, an increase of about 10 percent over the projection of 13,277 units

The ratio of population to housing units is influenced by the second home market. Based on census information, the ratio of population to housing units in Truckee declined from 1.55 in 1980 to 1.28 in 1990, reflecting an increasing proportion of second homes in the Truckee housing stock. A decline in this ratio implies an increase in the projected number of housing units for a given population. Recent estimates from the California Department of Finance show the ratio of population to housing units in Truckee at 1.30, close to the 1990 ratio of 1.28.

Employment Projections. The employment projections shown in Table 4-2 indicate that the rate of employment growth is projected to decline in the future. These trends are based on projections from the California Employment Development Department to 1998, which were extrapolated to 2005 and 2015. If the rate of growth of employment in Truckee were to continue at the recent historic rate of 3.0 percent annually, the 2015 projection of jobs would be 9,103, or about 12 percent higher than the trend projection of 8,109 jobs.

PART 3

FISCAL IMPACT ANALYSIS

CHAPTER 5

FISCAL ANALYSIS APPROACH AND BASE YEAR REVENUES AND COSTS

This part of the report presents the fiscal analysis approach, base year revenues and costs and the fiscal impacts of the Truckee Draft General Plan and a Low Growth Alternative for the General Plan. In addition a High Volume/Discount Retail Alternative and a No Project Alternative are analyzed. The analysis presents both the 2015 and cumulative buildout fiscal projections. Buildout assumes full development of all proposed land uses some time after 2015.

The fiscal analysis presents recurring revenues and costs to the Town of Truckee projected to result from the alternatives. While the significance of capital cost issues is recognized, particularly for road improvements, capital costs and one-time development fees are not projected as part of this analysis. Implications of capital facility financing on the fiscal balance of the Draft General Plan are presented.

5.1 Fiscal Analysis Approach

This report uses the following information sources:

1. Land use acreages, dwelling units, population and employment for buildout are based on the land use plans prepared by The Planning Center, January 17, 1995.
2. The land use descriptions for 2015 are based on the projections of housing units, population and employment in Part 1 of this report.
3. Local street lane miles are derived for each land use by the consultant based on site planning standards. Arterial and collector lane miles are based on planned road expansions.
4. Residential product valuation is based on residential valuation information presented in *Our Town Truckee*, February-March, 1994. The land use and market factors for residential land uses are presented in detail in Appendix A.
5. Non-residential valuations are based on representative improvement costs and site values. Taxable sales are based on the most recent taxable sales information from the 1994-1995 Town Budget. The non-residential land use market and land use factors are presented in Appendix A.
6. Revenue and cost factors have been derived from analysis of the 1994-1995 Town of Truckee Annual Operating Budget; and from case study interviews with Town staff. These factors are presented in detail in Appendix B.

7. All revenues and costs are presented in constant 1994-1995 dollars, with no adjustments for possible future inflation.
8. Fiscal projections are for annually recurring revenues and costs for operations and maintenance. No projections are made for capital facilities.
9. Fiscal projections are made only for the Town of Truckee.

5.2 Base Year Fiscal Analysis

A fiscal analysis of the base year 1994-1995 budget is presented, along with estimates of housing, population and employment in 1995. Table 5-1 shows the estimated existing residential uses in Truckee, based on estimates from the California Department of Finance, Report E-5, issued in May 1995, and available planning data. As shown in Table 5-1, there are an estimated 9,039 housing units in Truckee, occupying 5,923 acres. The permanent population is estimated at 11,791.

Non-residential development is shown in Table 5-2. These data have been prepared on the basis of assessor parcel files for Truckee and the employment analysis from Part 1 of this report. Commercial and industrial space is estimated at 2.30 million square feet, occupying 259 acres. Employment is estimated at 5,225.

Table 5-3 presents the existing fiscal situation in Truckee, based on the 1994-1995 budget. The budget is balanced, with total revenues of about \$7.79 million, including a transfer from the impact fee fund for administrative costs related to processing the impact fees, and total expenditures of the same amount. The expenditures are shown separately for citywide overhead functions and direct departmental expenditures.

Taxes represent about 58 percent of total revenues, followed by State subventions of motor vehicle in-lieu fees and road-related gas taxes, together representing about 16 percent of total recurring revenues. Because the Town of Truckee is newly incorporated, the State subventions are calculated on the population basis of three times registered voters through fiscal year 1997-1998. This calculation uses a population of 15,282 instead of the current actual population estimate of 11,791.

The adjusted budget column shown on Table 5-3 represents the estimated decrease in State subventions when the formula reverts to the estimated population in the base year. This calculation results in an estimated decrease of about \$204.9 thousand in subvention revenues when all other revenues and expenditures are held constant.

In order to present the base year fiscal analysis in terms of the categories which will be used in the fiscal projections, a number of categories of revenues and costs are not projected, as listed in Table 5-3. Essentially, revenues not projected include revenues and costs that can not be projected on a per unit basis.

**TABLE 5-1
TOWN OF TRUCKEE GENERAL PLAN
ESTIMATED EXISTING DEVELOPMENT
RESIDENTIAL USES**

| | 1995 |
|------------------------------------|--------------|
| <u>Acres</u> | |
| 2 dwelling units per acre and less | 3,622 |
| 3-4 dwelling units per acre | 292 |
| 6-12 dwelling units per acre | 67 |
| Mixed-use residential | <u>1,941</u> |
| Total | 5,923 |
| <u>Dwelling Units</u> | |
| 2 dwelling units per acre and less | 3,980 |
| 3-4 dwelling units per acre | 1,100 |
| 6-12 dwelling units per acre | 539 |
| Mixed-use residential | <u>3,420</u> |
| Total | 9,039 |
| <u>Population</u> | |
| 2 dwelling units per acre and less | 5,573 |
| 3-4 dwelling units per acre | 1,430 |
| 6-12 dwelling units per acre | 1,000 |
| Mixed-use residential | <u>3,788</u> |
| Total | 11,791 |

Source: Stanley R. Hoffman Associates, Inc.
The Planning Center

TABLE 5-2
TOWN OF TRUCKEE GENERAL PLAN
ESTIMATED EXISTING DEVELOPMENT
NON-RESIDENTIAL USES

| | 1995 |
|------------------------------|------------------|
| <u>Acres</u> | |
| Commercial/retail | 78 |
| High volume/discount retail | 0 |
| Commercial/office | 11 |
| Industrial | 21 |
| Motel | 10 |
| Resort hotel | 0 |
| Bed and breakfast | 2 |
| Public, institutional, other | <u>138</u> |
| Total | 259 |
| <u>Square Feet</u> | |
| Commercial/retail | 676,048 |
| High volume/discount retail | 0 |
| Commercial/office | 95,871 |
| Industrial | 180,097 |
| Motel | 113,400 |
| Resort hotel | 0 |
| Bed and breakfast | 31,500 |
| Public, institutional, other | <u>1,203,430</u> |
| Total | 2,300,346 |
| <u>Employment</u> | |
| Commercial/retail | 2,697 |
| High volume/discount retail | 0 |
| Commercial/office | 641 |
| Industrial | 705 |
| Motel | 63 |
| Resort hotel | 0 |
| Bed and breakfast | 17 |
| Public, institutional, other | <u>1,102</u> |
| Total | 5,225 |

Source: Stanley R. Hoffman Associates, Inc.
The Planning Center

TABLE 5-3
TOWN OF TRUCKEE GENERAL PLAN
BASE YEAR BUDGET - ESTIMATED ACTUAL BUDGET, FISCAL YEAR 1994/95
(In Constant 1994/95 Dollars)

| Category | Total Base Year Budget Amount | Less: Non Base Year Amount ¹ | Equals: Base Year Adjusted Budget Amount | Percent of Total Base Year Adjusted Amount | Factor Calculation Explanation |
|--------------------------------------|-------------------------------------|---|--|--|---|
| REVENUES | | | | | |
| <u>Taxes</u> | | | | | |
| Property taxes -- secured | \$2,198,000 | \$0 | \$2,198,000 | 29.0% | per units and valuation |
| Property taxes -- unsecured | 72,800 | 0 | 72,800 | 1.0% | per commercial square foot |
| Prior year taxes | 0 | 0 | 0 | 0.0% | not projected |
| Sales tax | 1,397,000 | 0 | 1,397,000 | 18.4% | per square foot and sales per square foot |
| Transient occupancy tax | 577,000 | 0 | 577,000 | 7.6% | per room rate, occupancy and TOT |
| Franchise tax | 101,000 | 0 | 101,000 | 1.3% | per housing unit |
| Business license tax | 0 | 0 | 0 | 0.0% | not projected |
| Real property transfer tax | 55,000 | 0 | 55,000 | 0.7% | turnover rate |
| Total taxes | 4,400,800 | 0 | 4,400,800 | 58.0% | |
| <u>Intergovernment Revenue</u> | | | | | |
| Motor vehicle in-lieu tax | 575,000 | 131,352 | 443,648 | 5.9% | adjust for existing population |
| Homeowners prop. tax relief | 55,000 | 0 | 55,000 | 0.7% | not projected |
| Off hwy motor vehicle in-lieu | 2,900 | 0 | 2,900 | 0.0% | not projected |
| Mandated costs reimbursement | 2,000 | 0 | 2,000 | 0.0% | not projected |
| Total Intergovernment Revenue | 634,900 | 131,352 | 503,548 | 6.6% | |
| <u>Other Revenue</u> | | | | | |
| Animal control licenses | 14,220 | 0 | 14,220 | 0.2% | per capita |
| Animal Control -- Sierra County | 850 | 0 | 850 | 0.0% | per capita |
| Court fines -- moving violations | 120,000 | 0 | 120,000 | 1.6% | per capita and per visitor |
| Parking violations | 26,000 | 0 | 26,000 | 0.3% | per capita and per visitor |
| Interest income | 220,000 | 0 | 220,000 | 2.9% | percent of total general fund revenues |
| Admin 10% impact fees | 66,300 | 0 | 66,300 | 0.9% | not projected |
| Animal shelter fees & charges | 11,000 | 0 | 11,000 | 0.1% | per capita |
| Reimbursable engineering | 24,000 | 0 | 24,000 | 0.3% | not projected |
| Miscellaneous revenue | 10,000 | 0 | 10,000 | 0.1% | per capita |
| Sublease revenues - CDD | 1,600 | 0 | 1,600 | 0.0% | per capita |
| Proceeds from sale of equipment | 0 | 0 | 0 | 0.0% | not projected |
| Total Other Revenues | 493,970 | 0 | 493,970 | 6.5% | |
| Subtotal Revenues | 5,529,670 | 131,352 | 5,398,318 | 71.2% | |
| <u>Special Revenues</u> | | | | | |
| Planning revenue | 137,750 | 0 | 137,750 | 1.8% | not projected |
| Building and safety revenue | 827,320 | 0 | 827,320 | 10.9% | not projected |
| Street Revenue | 674,200 | 0 | 674,200 | 8.9% | |
| Parcel Charges | 0 | 0 | 0 | 0.0% | per parcel |
| Gas Tax 2105 | 95,200 | 21,747 | 73,453 | 1.0% | adjust for existing population |
| Gas Tax 2106 | 95,000 | 21,702 | 73,298 | 1.0% | adjust for existing population |
| Gas Tax 2107 | 131,600 | 30,063 | 101,537 | 1.3% | adjust for existing population |
| Gas Tax 2107-5 | 4,000 | 0 | 4,000 | 0.1% | not projected |
| Gas Tax 2107-Snow | 325,000 | 0 | 325,000 | 4.3% | based on 50% of prior year costs |
| Project Revenue | 23,400 | 0 | 23,400 | 0.3% | not projected |
| Transit Revenue | 616,989 | 0 | 616,989 | 8.1% | not projected |
| Total Special Revenues | 2,256,259 | 73,512 | 2,182,747 | 28.8% | |
| Total Revenues | \$7,785,929 | \$204,864 | \$7,581,065 | 100.0% | |
| EXPENDITURES | | | | | |
| <u>Citywide Overhead</u> | | | | | |
| Town council | \$92,600 | \$0 | \$92,600 | 1.4% | |
| Town manager | 182,616 | 0 | 182,616 | 2.8% | |
| Town attorney | 41,250 | 0 | 41,250 | 0.6% | |
| Town clerk | 78,220 | 0 | 78,220 | 1.2% | |
| Finance | 176,840 | 0 | 176,840 | 2.7% | |
| Visitors Center | 0 | 0 | 0 | 0.0% | |
| Shared government | 281,684 | 0 | 281,684 | 4.3% | |
| Total Citywide | 853,210 | 0 | 853,210 | 13.1% | percent of direct costs |
| <u>Direct Expenditures</u> | | | | | |
| Public works engineering - admin. | 105,166 | 0 | 105,166 | 1.6% | per capita |
| Public works engineering - capital | 36,350 | 0 | 36,350 | 0.6% | not projected |
| Public works snow | 1,227,882 | 0 | 1,227,882 | 18.8% | per lane mile |
| Public works maintenance | 725,422 | 0 | 725,422 | 11.1% | per lane mile, per signal, etc. |
| Planning | 328,193 | 0 | 328,193 | 5.0% | 50 percent of costs - per capita |
| Building and safety | 652,013 | 0 | 652,013 | 10.0% | not projected |
| Animal control | 127,790 | 0 | 127,790 | 2.0% | per capita |
| Sheriff | 1,854,861 | 0 | 1,854,861 | 28.5% | per capita |
| Transit | 605,537 | 0 | 605,537 | 9.3% | not projected |
| Total Direct Expenditures | 5,663,214 | 0 | 5,663,214 | 86.9% | |
| Total Expenditures | \$6,516,424 | \$0 | \$6,516,424 | 100.0% | |
| REVENUE/EXPENDITURE BALANCE | \$1,269,505 | \$204,864 | \$1,064,641 | | |

Not 1. Non-base year modifications include adjustments to factors for existing population versus three times registered voters which occurs after 1997/98.

Source: Stanley R. Hoffman Associates, Inc.
Town of Truckee, Estimated Actual Budget, Fiscal Year 1994-95

For purposes of comparing the base year fiscal balance with the projected fiscal impacts of the General Plan Alternatives, a base year revenue adjustment component is calculated. This base year revenue adjustment component includes those revenues which are not projected and the offsetting adjustments made to costs for building and safety and transit revenues.

The base year and adjusted base year revenue adjustment component is estimated at \$478,709, based on the following 1995 revenues:

| | |
|-----------------------------------|---------------|
| Homeowners property tax relief | \$55,000 |
| Off highway motor vehicle in-lieu | 2,900 |
| Mandated costs reimbursement | 2,000 |
| Admin. 10% impact fees | 66,300 |
| Gasoline tax 2107.5 | 4,000 |
| Reimbursable engineering | 24,000 |
| Planning department revenue | 137,750 |
| Building and safety surplus | 175,307 |
| Transit surplus | <u>11,452</u> |
| Total | \$478,709 |

The fiscal projections for the Draft General Plan and the other General Plan Alternatives assume the collection of all property tax. The revenue adjustment component for fiscal projections is estimated at \$423,709 when homeowners property tax relief revenues of \$55,000 are subtracted from the \$478,709 base year revenue adjustment component.

Table 5-4 shows the base year fiscal analysis in terms of the revenues and costs for which fiscal projections are made for the Draft General Plan and alternatives. With the revenue adjustment component of \$478,709, Table 5-4 shows a fiscal surplus of \$21.2 thousand for the base year budget and a deficit of \$183.7 thousand for the adjusted base year budget.

However, the analysis of the base year budget indicates that new revenue sources, including sales and use tax and transient occupancy tax will be increasingly important if Truckee is to maintain its fiscal viability.

5.3 Overview of the Fiscal Analysis

Chapter 6 presents the fiscal analysis for the Draft General Plan, including a description of land uses and a projection of recurring revenues and costs. In Chapter 7, the three alternatives are presented, including the High Volume/Discount Retail Alternative, the Low Growth Alternative and the No Project Alternative. Chapter 7 also provides a comparative analysis of all fiscal projections, including the 1995 base year revenues and costs.

TABLE 5-4
TOWN OF TRUCKEE GENERAL PLAN
BASE YEAR BUDGET AND ADJUSTED BASE YEAR BUDGET
RECURRING REVENUES AND COSTS
(In Constant 1994 - 1995 Dollars)

| | Base Year Budget | Percent of Total | Adjusted Base Year Budget ¹ | Percent of Total |
|----------------------------------|---------------------|---------------------|--|---------------------|
| <u>Recurring Revenues</u> | | | | |
| Property tax | \$2,270,800 | 35.9% | \$2,270,800 | 37.1% |
| Real property transfer tax | 55,000 | 0.9% | 55,000 | 0.9% |
| Sales and use tax | 1,397,000 | 22.1% | 1,397,000 | 22.8% |
| Transient occupancy tax | 577,000 | 9.1% | 577,000 | 9.4% |
| Franchise fees | 101,000 | 1.6% | 101,000 | 1.7% |
| State gasoline tax | 646,800 | 10.2% | 573,288 | 9.4% |
| Motor vehicle license fees | 575,000 | 9.1% | 443,648 | 7.3% |
| Special Service Area revenue | 309,170 | 4.9% | 309,170 | 5.1% |
| Fines | 146,000 | 2.3% | 146,000 | 2.4% |
| Licenses and fees | 15,070 | 0.2% | 15,070 | 0.2% |
| Other revenues | 10,000 | 0.2% | 10,000 | 0.2% |
| Interest | <u>220,000</u> | <u>3.5%</u> | <u>220,000</u> | <u>3.6%</u> |
| Revenue Subtotal | \$6,322,840 | 100.0% | \$6,117,976 | 100.0% |
| Revenue adjustment component | \$478,709 | | \$478,709 | |
| Total Revenues | \$6,801,549 | | \$6,596,685 | |
| <u>Recurring Costs</u> | | | | |
| Police protection | \$1,881,100 | 27.7% | \$1,881,100 | 27.7% |
| Animal control | 177,100 | 2.6% | 177,100 | 2.6% |
| Public works administration | 96,300 | 1.4% | 96,300 | 1.4% |
| Streets maintenance | 806,100 | 11.9% | 806,100 | 11.9% |
| Snow removal | 1,225,850 | 18.1% | 1,225,850 | 18.1% |
| Planning | 411,200 | 6.1% | 411,200 | 6.1% |
| Contribution to reserves | 1,185,600 | 17.5% | 1,185,600 | 17.5% |
| General government overhead | <u>997,100</u> | <u>14.7%</u> | <u>997,100</u> | <u>14.7%</u> |
| Total Costs | \$6,780,349 | 100.0% | \$6,780,349 | 100.0% |
| Net Recurring (Deficit) | \$21,199 | | (\$183,665) | |
| Revenue/Cost Ratio | 1.00 | | 0.97 | |

Note 1. The adjusted base year budget includes adjustments to population based revenues from the state. These population based revenues are currently based on three times the registered voters when Truckee incorporated. After 1997/98 these population based revenues will be based on Truckee's population.

Source: Stanley R. Hoffman Associates, Inc.
Town of Truckee, Estimated Actual Budget, Fiscal Year 1994-1995

Appendix A presents the land use and market assumptions and Appendix B presents the revenue and cost factors used for all the fiscal projections. The detailed revenue and cost projections for the four alternatives are presented in Appendix C. Appendix D lists the persons and agencies contacted in preparing the fiscal analysis.

CHAPTER 6

DRAFT GENERAL PLAN FISCAL ANALYSIS

This chapter presents the Draft General Plan fiscal analysis. The land use descriptions are first presented, followed by the projected fiscal impacts for the Draft General Plan and a discussion of the implications of capital facilities funding on the fiscal balance of the Draft General Plan. Detailed land use and market factors are presented in Appendix A.

6.1 Draft General Plan Development Description

Residential and Non-residential Summary

The following is a summary of future residential and non-residential development in Truckee, based on the Draft General Plan. As shown in Table 6-1, by 2015, housing units in Truckee are projected at 13,271 and population is projected at 17,253, representing an increase of 4,232 housing units and a population increase of 5,462.

Buildout of the Draft General Plan projects would include 17,620 housing units and a population of 22,500. These projections represent an incremental growth of 8,581 housing units and a population increment of 10,709.

Non-residential development in 2015 is based on the economic analysis, as shown in Table 6-2. This table shows the derivation of growth in retail square footage to the year 2015, based upon retail demand; and the derivation of growth in office and industrial square footage, based on employment projections.

Table 6-3 shows the year 2015 and buildout non-residential development projections for the Draft General Plan. The year 2015 projections reflect the growth increments calculated in Table 6-2. Non-residential development in the Town of Truckee is currently estimated at 2.30 million square feet and employment is estimated at 5,225. Non-residential development is projected at 3.95 million square feet for 2015 and employment is projected at 8,109. These projections represent an increase of 1.65 million square feet and employment growth of 2,884. Non-residential development of the Draft General Plan at buildout is projected at 8.07 million square feet and employment is projected at 13,480. These projections represent an increase of 5.77 million square feet and an employment increase of 8,255 over current estimated levels.

Detailed Development Description

The following discussion examines the composition of residential and non-residential development. The buildout descriptions are presented first, since the 2015 descriptions assume the buildout proportions of residential and non-residential categories.

**TABLE 6-1
TOWN OF TRUCKEE GENERAL PLAN
DRAFT GENERAL PLAN
PROJECTED RESIDENTIAL DEVELOPMENT**

| | 2015 | Buildout |
|------------------------------------|--------------|---------------|
| <u>Acres</u> | | |
| 2 dwelling units per acre and less | 6,952 | 9,878 |
| 3-4 dwelling units per acre | 331 | 426 |
| 6-12 dwelling units per acre | 190 | 251 |
| Mixed-use residential | <u>3,008</u> | <u>3,870</u> |
| Total | 10,481 | 14,425 |
| <u>Dwelling Units</u> | | |
| 2 dwelling units per acre and less | 4,218 | 5,530 |
| 3-4 dwelling units per acre | 1,252 | 1,610 |
| 6-12 dwelling units per acre | 1,514 | 2,010 |
| Mixed-use residential | <u>6,287</u> | <u>8,470</u> |
| Total | 13,271 | 17,620 |
| <u>Population</u> | | |
| 2 dwelling units per acre and less | 5,472 | 7,030 |
| 3-4 dwelling units per acre | 1,622 | 2,050 |
| 6-12 dwelling units per acre | 1,972 | 2,570 |
| Mixed-use residential | <u>8,187</u> | <u>10,850</u> |
| Total | 17,253 | 22,500 |

Source: Stanley R. Hoffman Associates, Inc.
The Planning Center

TABLE 6-2
TOWN of TRUCKEE GENERAL PLAN
YEAR 2015 PROJECTIONS of NON-RESIDENTIAL DEVELOPMENT
BASED on ECONOMIC PROJECTIONS

A Retail Space Growth based on Retail Demand¹

| | Dollar Amount | Retail Square Feet @ \$135 per SF |
|--------------------------|-------------------|---|
| Excess existing demand | \$9,503,240 | 70,394 |
| Projected local demand | 70,133,775 | 519,509 |
| North Lake Tahoe capture | <u>22,400,000</u> | <u>165,926</u> |
| Total | \$102,037,015 | 755,830 |

B Office Space Growth based on Employment Projections²

| | Incremental Jobs 1995-2015 | Square Feet per Employee | Estimated Square Feet |
|--|----------------------------------|-----------------------------|--------------------------|
| Finance, insurance and real estate (1/2 share) | 140 | 350 | 49,000 |
| Local services (1/3 share) | 73 | 350 | 25,550 |
| Basic services (1/3 share) | 55 | 350 | 19,250 |
| Local government (1/3 share) | 150 | 350 | 52,500 |
| Self employed (1/3 share) | <u>148</u> | 350 | <u>51,800</u> |
| Total | 566 | | 198,100 |

C Industrial Space Growth based on Employment Projections²

| | Incremental Jobs 1995-2015 | Square Feet per Employee | Estimated Square Feet |
|-----------------------------|----------------------------------|-----------------------------|--------------------------|
| Manufacturing | 197 | 750 | 147,750 |
| Construction | 337 | 1,000 | 337,000 |
| Transportation | 2 | 1,000 | 2,000 |
| Communication and utilities | 17 | 400 | 6,800 |
| Wholesale trade | 62 | 1,000 | 62,000 |
| Local services (1/3 share) | 73 | 400 | 29,200 |
| Basic services (1/3 share) | 55 | 400 | 22,000 |
| Self employed (1/3 share) | <u>148</u> | 400 | <u>59,200</u> |
| Total | 891 | | 665,950 |

Notes: 1. Retail demand analysis is derived from Table 3-9.
2. Employment-based office and industrial analysis is derived from Tables 4-4 and 4-5.

Source: Stanley R. Hoffman Associates, Inc.

**TABLE 6-3
TOWN OF TRUCKEE GENERAL PLAN
DRAFT GENERAL PLAN
PROJECTED NON-RESIDENTIAL DEVELOPMENT**

| | 2015 | Buildout |
|------------------------------|------------------|------------------|
| <u>Acres</u> | | |
| Commercial/retail | 143 | 359 |
| High volume/discount retail | 0 | 0 |
| Commercial/office | 34 | 97 |
| Industrial | 97 | 189 |
| Motel | 17 | 21 |
| Resort hotel | 0 | 8 |
| Bed and breakfast | 2 | 3 |
| Public, institutional, other | <u>152</u> | <u>231</u> |
| Total | 446 | 908 |
| <u>Square Feet</u> | | |
| Commercial/retail | 1,245,919 | 3,129,950 |
| High volume/discount retail | 0 | 0 |
| Commercial/office | 293,971 | 841,550 |
| Industrial | 846,047 | 1,647,000 |
| Motel | 194,400 | 236,250 |
| Resort hotel | 0 | 150,000 |
| Bed and breakfast | 46,500 | 56,250 |
| Public, institutional, other | <u>1,323,650</u> | <u>2,012,000</u> |
| Total | 3,950,487 | 8,073,000 |
| <u>Employment</u> | | |
| Commercial/retail | 3,298 | 6,008 |
| High volume/discount retail | 0 | 0 |
| Commercial/office | 1,638 | 2,751 |
| Industrial | 1,620 | 2,080 |
| Motel | 108 | 181 |
| Resort hotel | 0 | 271 |
| Bed and breakfast | 25 | 29 |
| Public, institutional, other | <u>1,421</u> | <u>2,160</u> |
| Total | 8,109 | 13,480 |

Source: Stanley R. Hoffman Associates, Inc.
The Planning Center

Residential Development

Residential Development at Buildout. As shown in Table 6-1, a total of 17,620 housing units and a population of 22,500 are projected for buildout of the Draft General Plan. The residential acreage is projected at 14,425.

Four general residential land use categories are projected. At buildout, units at a density of 2 dwelling units per acre or less are projected to account for 5,530 units out of a total of 17,620. Mixed-use residential units are projected to account for 8,470 units. Finally, units at 3-4 per acre and units at 6-12 per acre are projected at 1,610 and 2,010, respectively. Total population in Truckee at buildout of the Draft General Plan is projected at 22,500.

Residential Development in 2015. The total residential development for 2015 is based on the projection of 13,271 housing units and a population projection of 17,253. Development within each land use designation for 2015 is assumed to occur at the same relative proportion as represented at buildout of the Draft General Plan.

Non-Residential Development

Non-residential Development at Buildout. As shown in Table 6-3, a total of 8.07 million square feet of public, office, industrial, commercial and mixed use development is planned for buildout of the Draft General Plan. Employment is projected at 13,480 and non-residential acreage is projected at 908.

Commercial/retail development is projected at 3.13 million square feet at buildout and is the largest category of non-residential development. Commercial/retail employment is projected at 6,008. Development in public, institutional and other uses is projected for 2.01 million square feet. Industrial development of 1.65 million square feet, with employment of 2,080, is projected. Commercial/office development is projected at 841.5 thousand square feet with 2,751 jobs. Lodging development consisting of motels, a hotel resort and bed and breakfast facilities are projected at 442.5 thousand square feet. Lodging employment is projected at 481.

Non-residential Development in 2015. Development within each land use designation for 2015 is assumed to occur at the same relative proportion as represented for buildout of the Draft General Plan. The total non-residential development for 2015 is based on the employment projection of 8,109.

6.2 Draft General Plan Fiscal Analysis

This section presents the projected recurring revenues and costs for the Draft General Plan land uses for 2015 and buildout. The buildout analysis assumes full development of all proposed land uses at some unspecified time after 2015. All projections are

presented in constant 1994-1995 dollars. The fiscal projections are cumulative; that is, they represent all revenues and costs from existing development (as presented above in Table 5-4) plus future revenues and costs from new development.

Recurring Revenue and Cost Categories

The fiscal analysis of the Draft General Plan focuses on recurring revenues and costs and does not project capital costs or development impact fees. The projected revenues include property and property transfer taxes, sales and use tax, transient occupancy taxes, State subventions, such as gasoline taxes and motor vehicle license fees, other license and franchise fees, fines, special and other revenues and interest income.

The projected costs include those handled directly by the Town of Truckee as well as those provided under contract, such as police protection. Services provided directly by the Town include public works related to streets, drainage and snow removal, planning, animal control and citywide overhead functions. Also included is a contingency for contribution to reserves. Selected services, such as building and safety, are assumed to be self-supporting through processing fees and charges.

The projected fiscal impacts of the Draft General Plan are substantially positive for both 2015 and buildout as presented in Table 6-4. For 2015, a projected surplus of about \$2.62 million is projected, representing a revenue/cost ratio of 1.35. This ratio means that \$1.35 in revenues are projected for every \$1.00 of costs. At buildout, the fiscal surplus is projected at \$6.92 million, for a revenue/cost ratio of 1.72. This favorable fiscal result is largely based on the projected property tax and sales and use tax, which together are projected to account for 68.9 percent of total revenues at buildout. These two revenue sources comprised about 59.9 percent of Town revenues in the base year budget for 1994-1995. The buildout projection is more positive than the 2015 projection because it includes relatively more commercial retail and lodging development.

The projected transient occupancy tax of \$788,398 in 2015 is higher than that of \$577,000 for the base year 1995. The lodging projections assume conservative occupancy rates of 65 percent for motels and 60 percent for bed and breakfast. These rates are lower than the rates assumed to be experienced in 1994-1995.

For projected costs, police protection is the largest category constituting 37.3 percent of total recurring costs. The next largest categories are snow removal, general government overhead and streets maintenance. In total, these four categories account for 82.5 percent of total Town costs.

The streets maintenance costs are based on estimated expansion of local roads and planned expansion of arterial and collector roads, including the Tahoe Donner Bypass and the Deerfield Bypass. Contributions to reserves are assumed to be 5 percent of all Town revenues. This is a prudent allocation, based on experience of other jurisdictions.

TABLE 6-4
TOWN OF TRUCKEE GENERAL PLAN
DRAFT GENERAL PLAN
PROJECTED RECURRING REVENUES AND COSTS
(In Constant 1994 - 1995 Dollars)

| | 2015 | Buildout | Percent of Total at Buildout |
|----------------------------------|------------------|------------------|---------------------------------|
| <u>Recurring Revenues</u> | | | |
| Property tax | \$4,097,707 | \$6,008,091 | 37.3% |
| Real property transfer tax | 98,179 | 136,218 | 0.8% |
| Sales and use tax | 2,042,871 | 5,098,666 | 31.6% |
| Transient occupancy tax | 788,398 | 1,504,941 | 9.3% |
| Franchise fees | 117,749 | 156,336 | 1.0% |
| State gasoline tax | 1,098,371 | 1,361,384 | 8.4% |
| Motor vehicle license fees | 655,930 | 855,412 | 5.3% |
| Special Service Area revenue | 453,921 | 602,674 | 3.7% |
| Fines | 213,632 | 278,602 | 1.7% |
| Licenses and fees | 22,051 | 28,757 | 0.2% |
| Other revenues | 14,632 | 19,082 | 0.1% |
| Interest | <u>45,972</u> | <u>76,833</u> | <u>0.5%</u> |
| Revenue Subtotal | \$9,649,414 | \$16,126,996 | 100.0% |
| Revenue adjustment component | \$423,709 | \$423,709 | |
| Total Revenues | \$10,073,123 | \$16,550,705 | |
| <u>Recurring Costs</u> | | | |
| Police protection | \$2,752,491 | \$3,589,581 | 37.3% |
| Animal control | 259,139 | 337,948 | 3.5% |
| Public works administration | 113,976 | 137,794 | 1.4% |
| Streets maintenance | 972,088 | 1,180,955 | 12.3% |
| Snow removal | 1,432,832 | 1,726,535 | 17.9% |
| Planning | 300,841 | 392,333 | 4.1% |
| Contribution to reserves | 503,656 | 827,535 | 8.6% |
| General government overhead | <u>1,114,140</u> | <u>1,440,847</u> | <u>15.0%</u> |
| Total Costs | \$7,449,162 | \$9,633,530 | 100.0% |
| Net Recurring Surplus | \$2,623,961 | \$6,917,175 | |
| Revenue/Cost Ratio | 1.35 | 1.72 | |

Source: Stanley R. Hoffman Associates, Inc.

Town of Truckee, Estimated Actual Budget, 1994 - 1995

6.3 Implications of Capital Facilities Funding on the Fiscal Balance of the Draft General Plan

Capital costs estimates are not presented in this analysis. While Truckee has identified necessary road improvement costs of \$15.9 million and identified the impacts of these costs, other specific capital facilities requirements have not been identified as part of the general plan process. It is likely that Town-wide facilities such as a corporation yard and a Town Hall will be required to service the growth envisioned in the Draft General Plan. The size and the cost of such Town-wide facilities and other capital facility improvements will depend on timing of the facilities.

The table below presents a range of financing amounts from \$10.00 million to \$25.00 million to illustrate the impact of capital facilities funding in terms of an annual debt service for the Town's general fund. This range is entirely hypothetical and is intended only to illustrate the impact of varying financing amounts on the Town's fiscal balance.

A 25 year term is assumed at interest rates of 7 percent, 8 percent and 9 percent interest for each amount financed. Annual debt service ranges from \$858.1 thousand for the funding of \$10.00 million at 7 percent interest to \$2.55 million for funding of \$25.00 million at 9 percent interest.

In terms of the Draft General Plan, the annual debt service of \$2.55 million for funding of \$25.00 million in capital facilities at 9 percent interest, represents approximately 86 percent of the fiscal surplus of \$2.95 million projected for the year 2015.

**Annual Debt Service
Assuming Varying Amounts Financed
25 Year Term**

| Amount Financed | Interest Rate | | |
|-----------------|---------------|-------------|-------------|
| | 7.0% | 8.0% | 9.0% |
| \$10,000,000 | \$858,105 | \$936,788 | \$1,018,063 |
| \$15,000,000 | \$1,287,158 | \$1,405,182 | \$1,527,094 |
| \$20,000,000 | \$1,716,210 | \$1,873,576 | \$2,036,125 |
| \$25,000,000 | \$2,145,263 | \$2,341,969 | \$2,545,156 |

Source: Stanley R. Hoffman Associates, Inc.

CHAPTER 7

FISCAL ANALYSIS OF ALTERNATIVES

This chapter presents the fiscal analysis of a number of alternatives which have been identified in the General Plan process, including:

- A High Volume/Discount Retail Alternative, in which 160,000 additional square feet of retail are assumed to be developed in 2015. At buildout, some 220,000 square feet of high volume/discount retail are assumed, with a corresponding reduction in commercial/retail space. The estimated sales generation for high volume/discount retail is \$230 per square foot. This alternative assumes the same residential development as the Draft General Plan.
- A Low Growth Alternative, which assumes the same development levels as the Draft General Plan by 2015, but has ultimate buildout levels below the Draft General Plan.
- A No Project Alternative, in which it is assumed that all currently entitled residential development occurs, but little future non-residential development is assumed to occur. The No Project Alternative is presented in a single projection, as it is assumed to be built out by 2015.

7.1 High Volume/Discount Retail Alternative

Development Description

Table 7-1 presents the non-residential development description for the High Volume/Discount Retail Alternative. The High Volume/Discount Retail component is projected at 220,000 square feet at buildout, with employment at 545 at buildout. The commercial/retail component is projected at 2.91 million square feet at buildout, representing a reduction in space corresponding to the space allocated to High Volume/Discount Retail. Commercial/retail employment is projected at 5,592 at buildout. Also, there is no difference in residential development between this alternative and the Draft General Plan.

The High Volume/Discount Retail development for 2015 is projected at 160 thousand square feet and employment is projected at 396. This level of retail development corresponds with the North Lake Tahoe capture discussed in Chapter 3 and quantified in Table 6-2. Other types of commercial/retail development are projected at 1.25 million square feet and commercial/retail employment is projected at 3,298 for 2015. All other non-residential and residential development projections for 2015 remain the same as projected in the Draft General Plan.

TABLE 7-1
TOWN OF TRUCKEE GENERAL PLAN
HIGH VOLUME/DISCOUNT RETAIL ALTERNATIVE
PROJECTED NON-RESIDENTIAL DEVELOPMENT

| | 2015 | Buildout |
|------------------------------|------------------|------------------|
| <u>Acres</u> | | |
| Commercial/retail | 143 | 334 |
| High volume/discount retail | 18 | 25 |
| Commercial/office | 34 | 97 |
| Industrial | 97 | 189 |
| Motel | 17 | 21 |
| Resort hotel | 0 | 8 |
| Bed and breakfast | 2 | 3 |
| Public, institutional, other | <u>152</u> | <u>231</u> |
| Total | 464 | 908 |
| <u>Square Feet</u> | | |
| Commercial/retail | 1,245,919 | 2,909,950 |
| High volume/discount retail | 160,000 | 220,000 |
| Commercial/office | 293,971 | 841,550 |
| Industrial | 846,047 | 1,647,000 |
| Motel | 194,400 | 236,250 |
| Resort hotel | 0 | 150,000 |
| Bed and breakfast | 46,500 | 56,250 |
| Public, institutional, other | <u>1,323,650</u> | <u>2,012,000</u> |
| Total | 4,110,487 | 8,073,000 |
| <u>Employment</u> | | |
| Commercial/retail | 3,298 | 5,592 |
| High volume/discount retail | 396 | 545 |
| Commercial/office | 1,638 | 2,751 |
| Industrial | 1,620 | 2,080 |
| Motel | 108 | 181 |
| Resort hotel | 0 | 271 |
| Bed and breakfast | 25 | 29 |
| Public, institutional, other | <u>1,421</u> | <u>2,160</u> |
| Total | 8,505 | 13,609 |

Source: Stanley R. Hoffman Associates, Inc.
The Planning Center

This alternative essentially represents a change in the nature of commercial/retail square footage without changing the total buildout square footage allowed under the Draft General Plan. The major difference from a fiscal point of view is that the High Volume/Discount Retail development is assumed to generate taxable retail sales at an estimated annual average of \$230 per square foot (based on information from retail developers) compared with the relatively lower average of \$135 per square foot for standard types of commercial retail development.

Fiscal Projection

As presented in Table 7-2, the High Volume/Discount Retail alternative is projected to generate a surplus of \$3.01 million by 2015, for a revenue/cost ratio of 1.41. This surplus is about \$433 thousand higher than that projected for 2015 under the Draft General Plan.

7.2 Low Growth Alternative

Development Description

The cumulative development in 2015 is the same under the Low Growth Alternative as under the Draft General Plan. The buildout projection, assumed to occur after 2015, assumes full development of somewhat lower levels of residential and non-residential uses under the Low Growth Alternative. The buildout housing units for the Low Growth Alternative--at 17,075--are about 97 percent of the buildout level of the Draft General Plan. The Low Growth Alternative buildout of non-residential square feet--7.51 million square feet--is about 93 percent of the buildout level of the Draft General Plan. Tables 7-3 and 7-4 present the development descriptions for the Low Growth Alternative.

Fiscal Projection

The fiscal impacts of the General Plan Low Growth Alternative for 2015 and buildout are presented in Table 7-5. For 2015, an annual surplus of about \$2.62 million is projected, based on recurring revenues of \$10.07 million and recurring costs of \$7.45 million. This 2015 projection is the same as the Draft General Plan, since the 2015 development or the Low Growth Alternative is identical to the Draft General Plan for 2015.

At buildout, the projected fiscal surplus for the Low Growth Alternative is about \$6.15 million, with a revenue/cost ratio of 1.66. This projected surplus is based on recurring revenues of \$15.52 million and recurring costs of \$9.37 million. The projected fiscal surplus of \$6.15 million for the Low Growth Alternative is about \$763 thousand lower than the fiscal surplus of \$6.92 million projected for the Draft General Plan.

TABLE 7-2
TOWN OF TRUCKEE GENERAL PLAN
HIGH VOLUME/DISCOUNT RETAIL ALTERNATIVE
PROJECTED RECURRING REVENUES AND COSTS
(In Constant 1994 - 1995 Dollars)

| | 2015 | Buildout | Percent of Total at Buildout |
|----------------------------------|------------------|------------------|---------------------------------|
| <u>Recurring Revenues</u> | | | |
| Property tax | \$4,136,799 | \$6,008,091 | 36.7% |
| Real property transfer tax | 98,601 | 136,218 | 0.8% |
| Sales and use tax | 2,462,391 | 5,336,926 | 32.6% |
| Transient occupancy tax | 788,398 | 1,504,941 | 9.2% |
| Franchise fees | 117,749 | 156,336 | 1.0% |
| State gasoline tax | 1,098,543 | 1,361,026 | 8.3% |
| Motor vehicle license fees | 655,930 | 855,412 | 5.2% |
| Special Service Area revenue | 453,921 | 602,674 | 3.7% |
| Fines | 213,632 | 278,602 | 1.7% |
| Licenses and fees | 22,051 | 28,757 | 0.2% |
| Other revenues | 14,632 | 19,082 | 0.1% |
| Interest | <u>48,171</u> | <u>77,972</u> | <u>0.5%</u> |
| Revenue Subtotal | \$10,110,819 | \$16,366,037 | 100.0% |
| Revenue adjustment component | \$423,709 | \$423,709 | |
| Total Revenues | \$10,534,528 | \$16,789,746 | |
| <u>Recurring Costs</u> | | | |
| Police protection | \$2,752,491 | \$3,589,581 | 37.2% |
| Animal control | 259,139 | 337,948 | 3.5% |
| Public works administration | 114,003 | 137,738 | 1.4% |
| Streets maintenance | 972,312 | 1,180,489 | 12.2% |
| Snow removal | 1,433,176 | 1,725,820 | 17.9% |
| Planning | 300,841 | 392,333 | 4.1% |
| Contribution to reserves | 526,726 | 839,487 | 8.7% |
| General government overhead | <u>1,118,302</u> | <u>1,442,731</u> | <u>15.0%</u> |
| Total Costs | \$7,476,989 | \$9,646,129 | 100.0% |
| Net Recurring Surplus | \$3,057,539 | \$7,143,618 | |
| Revenue/Cost Ratio | 1.41 | 1.74 | |

Source: Stanley R. Hoffman Associates, Inc.

Town of Truckee, Estimated Actual Budget, 1994 - 1995

**TABLE 7-3
TOWN OF TRUCKEE GENERAL PLAN
LOW GROWTH ALTERNATIVE
PROJECTED RESIDENTIAL DEVELOPMENT**

| | 2015 | Buildout |
|------------------------------------|--------------|---------------|
| <u>Acres</u> | | |
| 2 dwelling units per acre and less | 6,952 | 9,904 |
| 3-4 dwelling units per acre | 331 | 426 |
| 6-12 dwelling units per acre | 190 | 278 |
| Mixed-use residential | <u>3,008</u> | <u>3,870</u> |
| Total | 10,481 | 14,478 |
| <u>Dwelling Units</u> | | |
| 2 dwelling units per acre and less | 4,218 | 5,160 |
| 3-4 dwelling units per acre | 1,252 | 1,610 |
| 6-12 dwelling units per acre | 1,514 | 2,220 |
| Mixed-use residential | <u>6,287</u> | <u>8,085</u> |
| Total | 13,271 | 17,075 |
| <u>Population</u> | | |
| 2 dwelling units per acre and less | 5,472 | 6,560 |
| 3-4 dwelling units per acre | 1,622 | 2,050 |
| 6-12 dwelling units per acre | 1,972 | 2,840 |
| Mixed-use residential | <u>8,187</u> | <u>10,390</u> |
| Total | 17,253 | 21,840 |

Source: Stanley R. Hoffman Associates, Inc.
The Planning Center

TABLE 7-4
TOWN OF TRUCKEE GENERAL PLAN
LOW GROWTH ALTERNATIVE
PROJECTED NON-RESIDENTIAL DEVELOPMENT

| | 2015 | Buildout |
|------------------------------|------------------|------------------|
| <u>Acres</u> | | |
| Commercial/retail | 143 | 313 |
| High volume/discount retail | 0 | 0 |
| Commercial/office | 34 | 78 |
| Industrial | 97 | 189 |
| Motel | 17 | 21 |
| Resort hotel | 0 | 8 |
| Bed and breakfast | 2 | 3 |
| Public, institutional, other | <u>152</u> | <u>231</u> |
| Total | 446 | 843 |
| <u>Square Feet</u> | | |
| Commercial/retail | 1,245,919 | 2,726,800 |
| High volume/discount retail | 0 | 0 |
| Commercial/office | 293,971 | 681,700 |
| Industrial | 846,047 | 1,647,000 |
| Motel | 194,400 | 236,250 |
| Resort hotel | 0 | 150,000 |
| Bed and breakfast | 46,500 | 56,250 |
| Public, institutional, other | <u>1,323,650</u> | <u>2,012,000</u> |
| Total | 3,950,487 | 7,510,000 |
| <u>Employment</u> | | |
| Commercial/retail | 3,298 | 5,367 |
| High volume/discount retail | 0 | 0 |
| Commercial/office | 1,638 | 2,241 |
| Industrial | 1,620 | 2,080 |
| Motel | 108 | 181 |
| Resort hotel | 0 | 271 |
| Bed and breakfast | 25 | 29 |
| Public, institutional, other | <u>1,421</u> | <u>2,160</u> |
| Total | 8,109 | 12,330 |

Source: Stanley R. Hoffman Associates, Inc.
The Planning Center

TABLE 7-5
TOWN OF TRUCKEE GENERAL PLAN
LOW GROWTH ALTERNATIVE
PROJECTED RECURRING REVENUES AND COSTS
(In Constant 1994 - 1995 Dollars)

| | 2015 | Buildout | Percent of Total at Buildout |
|----------------------------------|------------------|------------------|---------------------------------|
| <u>Recurring Revenues</u> | | | |
| Property tax | \$4,097,707 | \$5,697,950 | 37.7% |
| Real property transfer tax | 98,179 | 130,224 | 0.9% |
| Sales and use tax | 2,042,871 | 4,478,218 | 29.7% |
| Transient occupancy tax | 788,398 | 1,504,941 | 10.0% |
| Franchise fees | 117,749 | 151,501 | 1.0% |
| State gasoline tax | 1,098,371 | 1,333,029 | 8.8% |
| Motor vehicle license fees | 655,930 | 830,327 | 5.5% |
| Special Service Area revenue | 453,921 | 584,033 | 3.9% |
| Fines | 213,632 | 270,432 | 1.8% |
| Licenses and fees | 22,051 | 27,914 | 0.2% |
| Other revenues | 14,632 | 18,523 | 0.1% |
| Interest | <u>45,972</u> | <u>71,936</u> | <u>0.5%</u> |
| Revenue Subtotal | \$9,649,414 | \$15,099,027 | 100.0% |
| Revenue adjustment component | \$423,709 | \$423,709 | |
| Total Revenues | \$10,073,123 | \$15,522,736 | |
| <u>Recurring Costs</u> | | | |
| Police protection | \$2,752,491 | \$3,484,315 | 37.2% |
| Animal control | 259,139 | 328,038 | 3.5% |
| Public works administration | 113,976 | 135,642 | 1.4% |
| Streets maintenance | 972,088 | 1,163,041 | 12.4% |
| Snow removal | 1,432,832 | 1,699,041 | 18.1% |
| Planning | 300,841 | 380,828 | 4.1% |
| Contribution to reserves | 503,656 | 776,137 | 8.3% |
| General government overhead | <u>1,114,140</u> | <u>1,401,163</u> | <u>15.0%</u> |
| Total Costs | \$7,449,162 | \$9,368,204 | 100.0% |
| Net Recurring Surplus | \$2,623,961 | \$6,154,531 | |
| Revenue/Cost Ratio | 1.35 | 1.66 | |

Source: Stanley R. Hoffman Associates, Inc.
Town of Truckee, Estimated Actual Budget, 1994 - 1995

7.3 No Project Alternative

Development Description

The No Project Alternative includes only currently entitled development proposals, which are predominantly residential. As shown in Table 7-6, residential development is estimated at 13,039 units, and is assumed to be completed by 2015, since this total is below the 13,271 units assumed to be developed by 2015 under the Draft General Plan.

As shown in Table 7-7, non-residential development by 2015 under the No Project Alternative is estimated at 2,345,609 square feet, only slightly (about 45,000 square feet) above estimated 1995 base year development of 2,300,346 square feet. Thus the No Project Alternative represents predominantly residential development.

Fiscal Impacts

Table 7-8 presents the fiscal impacts of the No Project Alternative. A surplus of \$1.57 million and a revenue/cost ratio of 1.21 is projected. This projected surplus is based on recurring revenues of \$9.15 million and recurring costs of \$7.58 million.

7.4 Comparison of Alternatives

Tables 7-9 and 7-10 summarize the existing residential and non-residential development in Truckee and present the four alternatives for the year 2015. The same comparisons between existing development and buildout of the four alternatives are presented in Tables 7-11 and 7-12.

Table 7-13 compares the existing fiscal conditions in Truckee with the projections under the four alternatives for 2015. Comparisons between existing fiscal conditions and buildout of the four alternatives are shown in Table 7-14.

**TABLE 7-6
TOWN OF TRUCKEE GENERAL PLAN
NO PROJECT ALTERNATIVE
PROJECTED RESIDENTIAL DEVELOPMENT**

| | Buildout |
|------------------------------------|--------------|
| <u>Acres</u> | |
| 2 dwelling units per acre | 3,622 |
| 3-4 dwelling units per acre | 292 |
| 6-12 dwelling units per acre | 67 |
| Mixed-use residential | <u>3,870</u> |
| Total | 7,851 |
| <u>Dwelling Units</u> | |
| 2 dwelling units per acre and less | 3,980 |
| 3-4 dwelling units per acre | 1,100 |
| 6-12 dwelling units per acre | 539 |
| Mixed-use residential | <u>7,420</u> |
| Total | 13,039 |
| <u>Population</u> | |
| 2 dwelling units per acre and less | 5,573 |
| 3-4 dwelling units per acre | 1,430 |
| 6-12 dwelling units per acre | 1,000 |
| Mixed-use residential | <u>9,747</u> |
| Total | 17,751 |

Source: Stanley R. Hoffman Associates, Inc.
The Planning Center

TABLE 7-7
TOWN OF TRUCKEE GENERAL PLAN
NO PROJECT ALTERNATIVE
PROJECTED NON-RESIDENTIAL DEVELOPMENT

| | Buildout |
|------------------------------|------------------|
| <u>Acres</u> | |
| Commercial/retail | 80 |
| High volume/discount retail | 0 |
| Commercial/office | 12 |
| Industrial | 22 |
| Motel | 10 |
| Resort hotel | 0 |
| Bed and breakfast | 2 |
| Public, institutional, other | <u>138</u> |
| Total | 264 |
| <u>Square Feet</u> | |
| Commercial/retail | 700,443 |
| High volume/discount retail | 0 |
| Commercial/office | 101,739 |
| Industrial | 195,097 |
| Motel | 113,400 |
| Resort hotel | 0 |
| Bed and breakfast | 31,500 |
| Public, institutional, other | <u>1,203,430</u> |
| Total | 2,345,609 |
| <u>Employment</u> | |
| Commercial/retail | 2,783 |
| High volume/discount retail | 0 |
| Commercial/office | 679 |
| Industrial | 724 |
| Motel | 63 |
| Resort hotel | 0 |
| Bed and breakfast | 17 |
| Public, institutional, other | <u>1,102</u> |
| Total | 5,368 |

Source: Stanley R. Hoffman Associates, Inc.
The Planning Center

TABLE 7-8
TOWN OF TRUCKEE GENERAL PLAN
NO PROJECT ALTERNATIVE
PROJECTED RECURRING REVENUES AND COSTS
(In Constant 1994 - 1995 Dollars)

| | Buildout | Percent of Total at Buildout |
|----------------------------------|------------------|---------------------------------|
| <u>Recurring Revenues</u> | | |
| Property tax | \$3,976,003 | 45.6% |
| Real property transfer tax | 99,776 | 1.1% |
| Sales and use tax | 1,411,872 | 16.2% |
| Transient occupancy tax | 577,000 | 6.6% |
| Franchise fees | 115,691 | 1.3% |
| State gasoline tax | 1,126,655 | 12.9% |
| Motor vehicle license fees | 674,847 | 7.7% |
| Special Service Area revenue | 445,986 | 5.1% |
| Fines | 219,793 | 2.5% |
| Licenses and fees | 22,687 | 0.3% |
| Other revenues | 15,054 | 0.2% |
| Interest | <u>41,577</u> | <u>0.5%</u> |
| Revenue Subtotal | \$8,726,942 | 100.0% |
| Revenue adjustment component | \$423,709 | |
| Total Revenues | \$9,150,651 | |
| <u>Recurring Costs</u> | | |
| Police protection | \$2,831,873 | 37.4% |
| Animal control | 266,612 | 3.5% |
| Public works administration | 116,679 | 1.5% |
| Streets maintenance | 994,591 | 13.1% |
| Snow removal | 1,467,368 | 19.4% |
| Planning | 309,517 | 4.1% |
| Contribution to reserves | 457,533 | 6.0% |
| General government overhead | <u>1,133,337</u> | <u>15.0%</u> |
| Total Costs | \$7,577,511 | 100.0% |
| Net Recurring Surplus | \$1,573,140 | |
| Revenue/Cost Ratio | 1.21 | |

Source: Stanley R. Hoffman Associates, Inc.
Town of Truckee, Estimated Actual Budget, 1994 - 1995

TABLE 7-9
TOWN OF TRUCKEE GENERAL PLAN
COMPARISON OF 1995 AND ALTERNATIVES: 2015
ESTIMATED AND PROJECTED RESIDENTIAL DEVELOPMENT

| Estimated 1995 | GENERAL PLAN ALTERNATIVES | | | |
|-------------------|---------------------------|------------------------------------|---------------|---------------|
| | Draft General Plan | High Volume/ Discount Retail | Low Growth | No Project |

Acres

| | | | | | |
|------------------------------|--------------|--------------|--------------|--------------|--------------|
| 2 dwelling units per acre | 3,622 | 6,952 | 6,952 | 6,952 | 3,622 |
| 3-4 dwelling units per acre | 292 | 331 | 331 | 331 | 292 |
| 6-12 dwelling units per acre | 67 | 190 | 190 | 190 | 67 |
| Mixed-use residential | <u>1,941</u> | <u>3,008</u> | <u>3,008</u> | <u>3,008</u> | <u>3,870</u> |
| Total | 5,923 | 10,481 | 10,481 | 10,481 | 7,851 |

Dwelling Units

| | | | | | |
|------------------------------|--------------|--------------|--------------|--------------|--------------|
| 2 dwelling units per acre an | 3,980 | 4,218 | 4,218 | 4,218 | 3,980 |
| 3-4 dwelling units per acre | 1,100 | 1,252 | 1,252 | 1,252 | 1,100 |
| 6-12 dwelling units per acre | 539 | 1,514 | 1,514 | 1,514 | 539 |
| Mixed-use residential | <u>3,420</u> | <u>6,287</u> | <u>6,287</u> | <u>6,287</u> | <u>7,420</u> |
| Total | 9,039 | 13,271 | 13,271 | 13,271 | 13,039 |

Population

| | | | | | |
|------------------------------|--------------|--------------|--------------|--------------|--------------|
| 2 dwelling units per acre an | 5,573 | 5,472 | 5,472 | 5,472 | 5,573 |
| 3-4 dwelling units per acre | 1,430 | 1,622 | 1,622 | 1,622 | 1,430 |
| 6-12 dwelling units per acre | 1,000 | 1,972 | 1,972 | 1,972 | 1,000 |
| Mixed-use residential | <u>3,788</u> | <u>8,187</u> | <u>8,187</u> | <u>8,187</u> | <u>9,747</u> |
| Total | 11,791 | 17,253 | 17,253 | 17,253 | 17,751 |

Notes: 1. Land uses for the No Project alternative are for buildout

Source: Stanley R. Hoffman Associates, Inc.
The Planning Center

TABLE 7-10
TOWN OF TRUCKEE GENERAL PLAN
COMPARISON OF 1995 AND ALTERNATIVES: 2015
ESTIMATED AND PROJECTED NON-RESIDENTIAL DEVELOPMENT

| Estimated 1995 | GENERAL PLAN ALTERNATIVES | | | |
|-------------------|---------------------------|------------------------------------|---------------|---------------|
| | Draft General Plan | High Volume/ Discount Retail | Low Growth | No Project |

Acres

| | | | | | |
|------------------------------|------------|------------|------------|------------|------------|
| Commercial/retail | 78 | 143 | 143 | 143 | 80 |
| High volume/discount retail | 0 | 0 | 18 | 0 | 0 |
| Commercial/office | 11 | 34 | 34 | 34 | 12 |
| Industrial | 21 | 97 | 97 | 97 | 22 |
| Motel | 10 | 17 | 17 | 17 | 10 |
| Resort hotel | 0 | 0 | 0 | 0 | 0 |
| Bed and breakfast | 2 | 2 | 2 | 2 | 2 |
| Public, institutional, other | <u>138</u> | <u>152</u> | <u>152</u> | <u>152</u> | <u>138</u> |
| Total | 259 | 446 | 464 | 446 | 264 |

Square Feet

| | | | | | |
|------------------------------|------------------|------------------|------------------|------------------|------------------|
| Commercial/retail | 676,048 | 1,245,919 | 1,245,919 | 1,245,919 | 700,443 |
| High volume/discount retail | 0 | 0 | 160,000 | 0 | 0 |
| Commercial/office | 95,871 | 293,971 | 293,971 | 293,971 | 101,739 |
| Industrial | 180,097 | 846,047 | 846,047 | 846,047 | 195,097 |
| Motel | 113,400 | 194,400 | 194,400 | 194,400 | 113,400 |
| Resort hotel | 0 | 0 | 0 | 0 | 0 |
| Bed and breakfast | 31,500 | 46,500 | 46,500 | 46,500 | 31,500 |
| Public, institutional, other | <u>1,203,430</u> | <u>1,323,650</u> | <u>1,323,650</u> | <u>1,323,650</u> | <u>1,203,430</u> |
| Total | 2,300,346 | 3,950,487 | 4,110,487 | 3,950,487 | 2,345,609 |

Employment

| | | | | | |
|------------------------------|--------------|--------------|--------------|--------------|--------------|
| Commercial/retail | 2,697 | 3,298 | 3,298 | 3,298 | 2,783 |
| High volume/discount retail | 0 | 0 | 396 | 0 | 0 |
| Commercial/office | 641 | 1,638 | 1,638 | 1,638 | 679 |
| Industrial | 705 | 1,620 | 1,620 | 1,620 | 724 |
| Motel | 63 | 108 | 108 | 108 | 63 |
| Resort hotel | 0 | 0 | 0 | 0 | 0 |
| Bed and breakfast | 17 | 25 | 25 | 25 | 17 |
| Public, institutional, other | <u>1,102</u> | <u>1,421</u> | <u>1,421</u> | <u>1,421</u> | <u>1,102</u> |
| Total | 5,225 | 8,109 | 8,505 | 8,109 | 5,368 |

Notes: 1. Land uses for the No Project alternative are for buildout

Source: Stanley R. Hoffman Associates, Inc.
The Planning Center

TABLE 7-11
TOWN OF TRUCKEE GENERAL PLAN
COMPARISON OF 1995 AND ALTERNATIVES AT BUILDOUT
ESTIMATED AND PROJECTED RESIDENTIAL DEVELOPMENT

| Estimated 1995 | GENERAL PLAN ALTERNATIVES | | | |
|-------------------|---------------------------|------------------------------------|---------------|---------------|
| | Draft General Plan | High Volume/ Discount Retail | Low Growth | No Project |

Acres

| | | | | | |
|------------------------------|--------------|--------------|--------------|--------------|--------------|
| 2 dwelling units per acre | 3,622 | 9,878 | 9,878 | 9,904 | 3,622 |
| 3-4 dwelling units per acre | 292 | 426 | 426 | 426 | 292 |
| 6-12 dwelling units per acre | 67 | 251 | 251 | 278 | 67 |
| Mixed-use residential | <u>1,941</u> | <u>3,870</u> | <u>3,870</u> | <u>3,870</u> | <u>3,870</u> |
| Total | 5,923 | 14,425 | 14,425 | 14,478 | 7,851 |

Dwelling Units

| | | | | | |
|------------------------------|--------------|--------------|--------------|--------------|--------------|
| 2 dwelling units per acre an | 3,980 | 5,530 | 5,530 | 5,160 | 3,980 |
| 3-4 dwelling units per acre | 1,100 | 1,610 | 1,610 | 1,610 | 1,100 |
| 6-12 dwelling units per acre | 539 | 2,010 | 2,010 | 2,220 | 539 |
| Mixed-use residential | <u>3,420</u> | <u>8,470</u> | <u>8,470</u> | <u>8,085</u> | <u>7,420</u> |
| Total | 9,039 | 17,620 | 17,620 | 17,075 | 13,039 |

Population

| | | | | | |
|------------------------------|--------------|---------------|---------------|---------------|--------------|
| 2 dwelling units per acre an | 5,573 | 7,030 | 7,030 | 6,560 | 5,573 |
| 3-4 dwelling units per acre | 1,430 | 2,050 | 2,050 | 2,050 | 1,430 |
| 6-12 dwelling units per acre | 1,000 | 2,570 | 2,570 | 2,840 | 1,000 |
| Mixed-use residential | <u>3,788</u> | <u>10,850</u> | <u>10,850</u> | <u>10,390</u> | <u>9,747</u> |
| Total | 11,791 | 22,500 | 22,500 | 21,840 | 17,751 |

Source: Stanley R. Hoffman Associates, Inc.
The Planning Center

TABLE 7-12
TOWN OF TRUCKEE GENERAL PLAN
COMPARISON OF 1995 AND ALTERNATIVES AT BUILDOUT
ESTIMATED AND PROJECTED NON-RESIDENTIAL DEVELOPMENT

| Estimated 1995 | GENERAL PLAN ALTERNATIVES | | | |
|-------------------|---------------------------|------------------------------------|---------------|---------------|
| | Draft General Plan | High Volume/ Discount Retail | Low Growth | No Project |

Acres

| | | | | | |
|------------------------------|------------|------------|------------|------------|------------|
| Commercial/retail | 78 | 359 | 334 | 313 | 80 |
| High volume/discount retail | 0 | 0 | 25 | 0 | 0 |
| Commercial/office | 11 | 97 | 97 | 78 | 12 |
| Industrial | 21 | 189 | 189 | 189 | 22 |
| Motel | 10 | 21 | 21 | 21 | 10 |
| Resort hotel | 0 | 8 | 8 | 8 | 0 |
| Bed and breakfast | 2 | 3 | 3 | 3 | 2 |
| Public, institutional, other | <u>138</u> | <u>231</u> | <u>231</u> | <u>231</u> | <u>138</u> |
| Total | 259 | 908 | 908 | 843 | 264 |

Square Feet

| | | | | | |
|------------------------------|------------------|------------------|------------------|------------------|------------------|
| Commercial/retail | 676,048 | 3,129,950 | 2,909,950 | 2,726,800 | 700,443 |
| High volume/discount retail | 0 | 0 | 220,000 | 0 | 0 |
| Commercial/office | 95,871 | 841,550 | 841,550 | 681,700 | 101,739 |
| Industrial | 180,097 | 1,647,000 | 1,647,000 | 1,647,000 | 195,097 |
| Motel | 113,400 | 236,250 | 236,250 | 236,250 | 113,400 |
| Resort hotel | 0 | 150,000 | 150,000 | 150,000 | 0 |
| Bed and breakfast | 31,500 | 56,250 | 56,250 | 56,250 | 31,500 |
| Public, institutional, other | <u>1,203,430</u> | <u>2,012,000</u> | <u>2,012,000</u> | <u>2,012,000</u> | <u>1,203,430</u> |
| Total | 2,300,346 | 8,073,000 | 8,073,000 | 7,510,000 | 2,345,609 |

Employment

| | | | | | |
|------------------------------|--------------|--------------|--------------|--------------|--------------|
| Commercial/retail | 2,697 | 6,008 | 5,592 | 5,367 | 2,783 |
| High volume/discount retail | 0 | 0 | 545 | 0 | 0 |
| Commercial/office | 641 | 2,751 | 2,751 | 2,241 | 679 |
| Industrial | 705 | 2,080 | 2,080 | 2,080 | 724 |
| Motel | 63 | 181 | 181 | 181 | 63 |
| Resort hotel | 0 | 271 | 271 | 271 | 0 |
| Bed and breakfast | 17 | 29 | 29 | 29 | 17 |
| Public, institutional, other | <u>1,102</u> | <u>2,160</u> | <u>2,160</u> | <u>2,160</u> | <u>1,102</u> |
| Total | 5,225 | 13,480 | 13,609 | 12,330 | 5,368 |

Source: Stanley R. Hoffman Associates, Inc.
The Planning Center

TABLE 7-13
TOWN OF TRUCKEE GENERAL PLAN
COMPARISON OF ADJUSTED BASE YEAR AND ALTERNATIVES: 2015
ESTIMATED AND PROJECTED RECURRING REVENUES AND COSTS
(In Constant 1994 - 1995 Dollars)

| | Adjusted Base Year 1995 | GENERAL PLAN ALTERNATIVES | | | |
|----------------------------------|-------------------------------|---------------------------|------------------------------------|------------------|------------------|
| | | Draft General Plan | High Volume/ Discount Retail | Low Growth | No Project |
| <u>Recurring Revenues</u> | | | | | |
| Property tax | \$2,270,800 | \$4,097,707 | \$4,136,799 | \$4,097,707 | \$3,976,003 |
| Real property transfer tax | 55,000 | 98,179 | 98,601 | 98,179 | 99,776 |
| Sales and use tax | 1,397,000 | 2,042,871 | 2,462,391 | 2,042,871 | 1,411,872 |
| Transient occupancy tax | 577,000 | 788,398 | 788,398 | 788,398 | 577,000 |
| Franchise fees | 101,000 | 117,749 | 117,749 | 117,749 | 115,691 |
| State gasoline tax | 573,288 | 1,098,371 | 1,098,543 | 1,098,371 | 1,126,655 |
| Motor vehicle license fees | 443,648 | 655,930 | 655,930 | 655,930 | 674,847 |
| Special Service Area revenue | 309,170 | 453,921 | 453,921 | 453,921 | 445,986 |
| Fines | 146,000 | 213,632 | 213,632 | 213,632 | 219,793 |
| Licenses | 15,070 | 22,051 | 22,051 | 22,051 | 22,687 |
| Other revenues | 10,000 | 14,632 | 14,632 | 14,632 | 15,054 |
| Interest | <u>220,000</u> | <u>45,972</u> | <u>48,171</u> | <u>45,972</u> | <u>41,577</u> |
| Revenue Subtotal | \$6,117,976 | \$9,649,414 | \$10,110,819 | \$9,649,414 | \$8,726,942 |
| Revenue adjustment component | \$478,709 | \$423,709 | \$423,709 | \$423,709 | \$423,709 |
| Total Revenues | \$6,596,685 | \$10,073,123 | \$10,534,528 | \$10,073,123 | \$9,150,651 |
| <u>Recurring Costs</u> | | | | | |
| Police protection | \$1,881,100 | \$2,752,491 | \$2,752,491 | \$2,752,491 | \$2,831,873 |
| Animal control | 177,100 | 259,139 | 259,139 | 259,139 | 266,612 |
| Public works administration | 96,300 | 113,976 | 114,003 | 113,976 | 116,679 |
| Streets maintenance | 806,100 | 972,088 | 972,312 | 972,088 | 994,591 |
| Snow removal | 1,225,850 | 1,432,832 | 1,433,176 | 1,432,832 | 1,467,368 |
| Planning | 411,200 | 300,841 | 300,841 | 300,841 | 309,517 |
| Contribution to reserves | 1,185,600 | 503,656 | 526,726 | 503,656 | 457,533 |
| General government overhead | <u>997,100</u> | <u>1,114,140</u> | <u>1,118,302</u> | <u>1,114,140</u> | <u>1,133,337</u> |
| Total Costs | \$6,780,349 | \$7,449,162 | \$7,476,989 | \$7,449,162 | \$7,577,511 |
| Net Recurring (Deficit)/Surplus | (\$183,665) | \$2,623,961 | \$3,057,539 | \$2,623,961 | \$1,573,140 |
| Revenue/Cost Ratio | 0.97 | 1.35 | 1.41 | 1.35 | 1.21 |

Source: Stanley R. Hoffman Associates, Inc.

Town of Truckee, Estimated Actual Budget, 1994 - 1995

TABLE 7-14
TOWN OF TRUCKEE GENERAL PLAN
COMPARISON OF ADJUSTED BASE YEAR AND ALTERNATIVES AT BUILDOUT
ESTIMATED AND PROJECTED RECURRING REVENUES AND COSTS
(In Constant 1994 - 1995 Dollars)

| | Adjusted Base Year 1995 | GENERAL PLAN ALTERNATIVES | | | |
|----------------------------------|-------------------------------|---------------------------|------------------------------------|------------------|------------------|
| | | Draft General Plan | High Volume/ Discount Retail | Low Growth | No Project |
| <u>Recurring Revenues</u> | | | | | |
| Property tax | \$2,270,800 | \$6,008,091 | \$6,008,091 | \$5,697,950 | \$3,976,003 |
| Real property transfer tax | 55,000 | 136,218 | 136,218 | 130,224 | 99,776 |
| Sales and use tax | 1,397,000 | 5,098,666 | 5,336,926 | 4,478,218 | 1,411,872 |
| Transient occupancy tax | 577,000 | 1,504,941 | 1,504,941 | 1,504,941 | 577,000 |
| Franchise fees | 101,000 | 156,336 | 156,336 | 151,501 | 115,691 |
| State gasoline tax | 573,288 | 1,361,384 | 1,361,026 | 1,333,029 | 1,126,655 |
| Motor vehicle license fees | 443,648 | 855,412 | 855,412 | 830,327 | 674,847 |
| Special Service Area revenue | 309,170 | 602,674 | 602,674 | 584,033 | 445,986 |
| Fines | 146,000 | 278,602 | 278,602 | 270,432 | 219,793 |
| Licenses | 15,070 | 28,757 | 28,757 | 27,914 | 22,687 |
| Other revenues | 10,000 | 19,082 | 19,082 | 18,523 | 15,054 |
| Interest | <u>220,000</u> | <u>76,833</u> | <u>77,972</u> | <u>71,936</u> | <u>41,577</u> |
| Revenue Subtotal | \$6,117,976 | \$16,126,996 | \$16,366,037 | \$15,099,027 | \$8,726,942 |
| Revenue adjustment component | \$478,709 | \$423,709 | \$423,709 | \$423,709 | \$423,709 |
| Total Revenues | \$6,596,685 | \$16,550,705 | \$16,789,746 | \$15,522,736 | \$9,150,651 |
| <u>Recurring Costs</u> | | | | | |
| Police protection | \$1,881,100 | \$3,589,581 | \$3,589,581 | \$3,484,315 | \$2,831,873 |
| Animal control | 177,100 | 337,948 | 337,948 | 328,038 | 266,612 |
| Public works administration | 96,300 | 137,794 | 137,738 | 135,642 | 116,679 |
| Streets maintenance | 806,100 | 1,180,955 | 1,180,489 | 1,163,041 | 994,591 |
| Snow removal | 1,225,850 | 1,726,535 | 1,725,820 | 1,699,041 | 1,467,368 |
| Planning | 411,200 | 392,333 | 392,333 | 380,828 | 309,517 |
| Contribution to reserves | 1,185,600 | 827,535 | 839,487 | 776,137 | 457,533 |
| General government overhead | <u>997,100</u> | <u>1,440,847</u> | <u>1,442,731</u> | <u>1,401,163</u> | <u>1,133,337</u> |
| Total Costs | \$6,780,349 | \$9,633,530 | \$9,646,129 | \$9,368,204 | \$7,577,511 |
| Net Recurring (Deficit)/Surplus | (\$183,665) | \$6,917,175 | \$7,143,618 | \$6,154,531 | \$1,573,140 |
| Revenue/Cost Ratio | 0.97 | 1.72 | 1.74 | 1.66 | 1.21 |

Source: Stanley R. Hoffman Associates, Inc.
Town of Truckee, Estimated Actual Budget, 1994 - 1995

APPENDIX A
LAND USE AND MARKET FACTORS

TABLE A-1
TRUCKEE GENERAL PLAN
LAND USE AND MARKET FACTORS
RESIDENTIAL

(In Constant 1994 - 1995 Dollars)

| FACTOR | EXPLANATION |
|--|----------------------------------|
| <u>Resource conservation/open space</u> | |
| 0.01 | Dwelling units per gross acre |
| \$165,000 | Secured valuation per unit |
| 1.00 | Population per unit ¹ |
| <u>Residential cluster (RC-10), National Forest RC-10 and open space recreation</u> | |
| 0.10 | Dwelling units per gross acre |
| \$165,000 | Secured valuation per unit |
| 1.27 | Population per unit |
| <u>Development reserve overlay</u> | |
| 0.02 | Dwelling units per gross acre |
| \$165,000 | Secured valuation per unit |
| 1.50 | Population per unit |
| <u>Residential cluster (RC-5)</u> | |
| 0.20 | Dwelling units per gross acre |
| \$165,000 | Secured valuation per unit |
| 1.27 | Population per unit |
| <u>Residential (0.5 du/acre)</u> | |
| 0.50 | Dwelling units per gross acre |
| \$165,000 | Secured valuation per unit |
| 1.27 | Population per unit |
| <u>Residential (0.5 - 1.0 du/acre and 1.0 du/acre)</u> | |
| 0.99 | Dwelling units per gross acre |
| \$165,000 | Secured valuation per unit |
| 1.26 | Population per unit |
| <u>Residential (1.0 - 2.0 du/acre)</u> | |
| 2.00 | Dwelling units per gross acre |
| \$165,000 | Secured valuation per unit |
| 1.27 | Population per unit |
| <u>Residential (3.0 du/acre)</u> | |
| 2.98 | Dwelling units per gross acre |
| \$165,000 | Secured valuation per unit |
| 1.25 | Population per unit |
| <u>Residential (3.0 - 4.0 du/acre)</u> | |
| 4.01 | Dwelling units per gross acre |
| \$165,000 | Secured valuation per unit |
| 1.28 | Population per unit |
| <u>Residential high density (6.0 - 12.0 du/acre)</u> | |
| 8.01 | Dwelling units per gross acre |
| \$65,000 | Secured valuation per unit |
| 1.28 | Population per unit |

**TABLE A-1
(continued)**

| FACTOR | EXPLANATION |
|---|-------------------------------|
| <u>PC-Tahoe Donner</u> | |
| 1.81 | Dwelling units per gross acre |
| \$186,000 | Secured valuation per unit |
| 1.28 | Population per unit |
| <u>PC-1 (Teichert property)</u> | |
| 0.29 | Dwelling units per gross acre |
| \$65,000 | Secured valuation per unit |
| 2.80 | Population per unit |
| <u>PC-2 (Hopkins property)</u> | |
| 0.73 | Dwelling units per gross acre |
| \$165,000 | Secured valuation per unit |
| 1.30 | Population per unit |
| <u>DSA (Downtown Study Area) - residential</u> | |
| 3.86 | Dwelling units per gross acre |
| \$65,000 | Secured valuation per unit |
| 1.26 | Population per unit |
| <u>SSA (Special Study Area) - residential</u> | |
| 0.60 | Dwelling units per gross acre |
| \$65,000 | Secured valuation per unit |
| 0.00 | Population per unit |
| <u>Mixed use - residential/commercial</u> | |
| 0.50 | Dwelling units per gross acre |
| \$65,000 | Secured valuation per unit |
| 1.27 | Population per unit |

Note: 1. The population per unit represents an average of population divided by total housing units, and reflects the large number of seasonal units in Truckee. A larger percentage of occupied housing units would result in a higher population per unit factor.

Source: Stanley R. Hoffman Associates, Inc.
The Planning Center

**TABLE A-2
TRUCKEE GENERAL PLAN
LAND USE AND MARKET FACTORS
NON-RESIDENTIAL**

(In Constant 1994 - 1995 Dollars)

| FACTOR | EXPLANATION |
|---|--|
| <u>Public</u> | |
| 0.01 | Floor area ratio |
| \$0 | Secured valuation per building square foot |
| \$0 | Unsecured valuation per building square foot |
| 413 | Square feet per employee |
| <u>Public, hospital/office</u> | |
| 0.20 | Floor area ratio |
| \$0 | Secured valuation per building square foot |
| \$0 | Unsecured valuation per building square foot |
| 417 | Square feet per employee |
| <u>Industrial</u> | |
| 0.20 | Floor area ratio |
| \$75 | Secured valuation per building square foot |
| \$20 | Unsecured valuation per building square foot |
| \$10 | Taxable sales per square foot |
| 792 | Square feet per employee |
| <u>National Forest - public</u> | |
| 0.20 | Floor area ratio |
| \$0 | Secured valuation per building square foot |
| \$0 | Unsecured valuation per building square foot |
| 11,590 | Square feet per employee |
| <u>Commercial/retail</u> | |
| 0.20 | Floor area ratio |
| \$120 | Secured valuation per building square foot |
| \$25 | Unsecured valuation per building square foot |
| \$135 | Taxable sales per square foot |
| 534 | Square feet per employee |
| <u>Commercial/office</u> | |
| 0.12 | Floor area ratio |
| \$120 | Secured valuation per building square foot |
| \$25 | Unsecured valuation per building square foot |
| 300 | Square feet per employee |
| <u>High volume/discount retail</u> | |
| 0.20 | Floor area ratio |
| \$120 | Secured valuation per building square foot |
| \$25 | Unsecured valuation per building square foot |
| \$230 | Taxable sales per square foot |
| 404 | Square feet per employee |

**TABLE A-2
(continued)**

| FACTOR | EXPLANATION |
|---|--|
| <u>PC-Tahoe Donner commercial/retail</u> | |
| 0.20 | Floor area ratio |
| \$120 | Secured valuation per building square foot |
| \$25 | Unsecured valuation per building square foot |
| \$135 | Taxable sales per square foot |
| 244 | Square feet per employee |
| <u>PC-Tahoe Donner commercial/office</u> | |
| 0.12 | Floor area ratio |
| \$120 | Secured valuation per building square foot |
| \$25 | Unsecured valuation per building square foot |
| 200 | Square feet per employee |
| <u>PC-1 (Teichert) commercial/retail</u> | |
| 0.02 | Floor area ratio |
| \$120 | Secured valuation per building square foot |
| \$25 | Unsecured valuation per building square foot |
| \$135 | Taxable sales per square foot |
| 545 | Square feet per employee |
| <u>PC-1 (Teichert) commercial/office</u> | |
| 0.12 | Floor area ratio |
| \$120 | Secured valuation per building square foot |
| \$25 | Unsecured valuation per building square foot |
| 375 | Square feet per employee |
| <u>PC-2 (Hopkins) commercial/retail</u> | |
| 0.01 | Floor area ratio |
| \$120 | Secured valuation per building square foot |
| \$25 | Unsecured valuation per building square foot |
| \$135 | Taxable sales per square foot |
| 524 | Square feet per employee |
| <u>PC-2 (Hopkins) commercial/office</u> | |
| 0.12 | Floor area ratio |
| \$120 | Secured valuation per building square foot |
| \$25 | Unsecured valuation per building square foot |
| 324 | Square feet per employee |
| <u>DSA (Downtown Study Area) commercial/retail</u> | |
| 0.06 | Floor area ratio |
| \$120 | Secured valuation per building square foot |
| \$25 | Unsecured valuation per building square foot |
| \$135 | Taxable sales per square foot |
| 527 | Square feet per employee |
| <u>DSA (Downtown Study Area) commercial/office</u> | |
| 0.12 | Floor area ratio |
| \$120 | Secured valuation per building square foot |
| \$25 | Unsecured valuation per building square foot |
| 320 | Square feet per employee |

TABLE A-2
(continued)

| FACTOR | EXPLANATION |
|--|--|
| <u>SSA (Special Study Area) commercial/retail</u> | |
| 0.20 | Floor area ratio |
| \$120 | Secured valuation per building square foot |
| \$25 | Unsecured valuation per building square foot |
| \$135 | Taxable sales per square foot |
| 550 | Square feet per employee |
| <u>SSA (Special Study Area) commercial/office</u> | |
| 0.12 | Floor area ratio |
| \$120 | Secured valuation per building square foot |
| \$25 | Unsecured valuation per building square foot |
| 325 | Square feet per employee |
| <u>Motel</u> | |
| \$65 | Room rate |
| 65% | Occupancy rate |
| 0.25 | Employees per room |
| \$60,000 | Secured value per room |
| \$10,000 | Unsecured value per room |
| 25% | Taxable sales as a percent of room receipts |
| 450 | Square feet per room |
| 25 | Rooms per acre |
| <u>Resort hotel</u> | |
| \$100 | Room rate |
| 75% | Occupancy rate |
| 1.40 | Employees per room |
| \$100,000 | Secured value per room |
| \$10,000 | Unsecured value per room |
| 100% | Taxable sales as a percent of room receipts |
| 750 | Square feet per room |
| 25 | Rooms per acre |
| <u>Bed and breakfast</u> | |
| \$90 | Room rate |
| 60% | Occupancy rate |
| 0.40 | Employees per room |
| \$100,000 | Secured value per room |
| \$10,000 | Unsecured value per room |
| 50% | Taxable sales as a percent of room receipts |
| 750 | Square feet per room |
| 25 | Rooms per acre |

Source: Stanley R. Hoffman Associates, Inc.
The Planning Center

APPENDIX B

FISCAL FACTORS

APPENDIX B FISCAL FACTORS

This appendix presents the revenue and cost factors used to prepare the fiscal impact analysis for the Truckee Draft General Plan, the High Volume/Discount Retail Alternative, the Low Growth Alternative and the No Project Alternative. These factors are based on the 1994-1995 Town of Truckee Operating Budget and staff interviews.

The Town of Truckee was incorporated on March 23, 1993 and provides a number of services, including police protection and animal control; public works maintenance; planning and building; and citywide functions, including city council, city manager, city clerk, finance and non departmental costs. Police protection is provided on a contract basis by the Nevada County Sheriff Department.

The California Department of Finance (DOF) 1995 population and housing unit estimates and the consultant's employment estimates for Truckee are used as presented in Part 2 of this report. These estimates are:

| | |
|---------------|--------|
| Population | 11,791 |
| Housing Units | 9,039 |
| Employment | 5,225 |

The revenue and cost factors are shown on a per unit basis. Revenue and cost information is from the 1994-1995 Town Operating Budget of August 4, 1994 and information obtained during interviews with Town staff conducted in March 1994.

B.1 Revenue Factors

Table B-1 presents the revenue factors for the fiscal impact analysis. Factors are estimated for all recurring revenues that will be generated by new development occurring within the Town. Revenues include property tax, sales and use tax, franchise fees, revenue from other agencies, license revenues, fines and violations, revenue from property, special revenues, other revenues and interest. Truckee does not currently have a business license tax.

Revenues are projected against different bases, depending upon the nature of the revenue source. Generally, per capita factors have been developed for revenues from other agencies, fines, licenses, and miscellaneous revenues, while development-based or land use factors have been developed for property tax, sales tax, property transfer tax, and transient occupancy tax. Revenues from engineering services and building inspection are not projected as they are assumed to be collected as offsetting fees and charges for current services and have no net impact on the Town's fiscal balance. Factors for revenues projected on a per capita or per housing unit basis are developed by dividing current revenues by current population or current housing unit estimates.

TABLE B-1
TOWN OF TRUCKEE GENERAL PLAN
REVENUE FACTORS
(In Constant 1994 - 1995 Dollars)

| FACTOR | EXPLANATION |
|--|--|
| <u>General</u> | |
| 11,791 | Truckee total population - January 1, 1995 DOF estimate |
| 9,039 | Truckee total housing units - January 1, 1995 DOF estimate |
| 5,225 | Truckee employment - SRHA 1995 estimate |
| <u>Local Taxes</u> | |
| 1.0000% | Property tax rate, total |
| 0.1685% | Property tax allocation, Truckee general fund |
| 0.0550% | Property transfer tax rate |
| 0.80 | Consideration rate (for transfer tax) |
| 0.10 | Annual residential turnover rate |
| 0.05 | Annual commercial turnover rate |
| 1.0% | Sales tax as a percent of taxable sales |
| 14.00% | Use tax as a percent of sales tax |
| 10.0% | Transient occupancy tax |
| <u>Franchise fees</u> | |
| \$8.87 | Franchise revenue per housing unit |
| <u>Revenue from other agencies</u> | |
| \$6.23 | State gasoline tax: 2105 - per capita (for street maintenance) |
| \$7.30 | State gasoline tax: 2106 - per capita (for street maintenance) |
| \$8.61 | State gasoline tax: 2107 - per capita (for street maintenance) |
| \$4,456 | State gasoline tax: 2107 Snow - per lane mile (for snow removal) |
| \$38.02 | Motor vehicle in-lieu fees per capita |
| <u>Licenses</u> | |
| \$1.21 | Animal licenses, penalties, and shelter fees per capita |
| \$0.07 | Animal control for Sierra County - per capita |
| <u>Fines and violations</u> | |
| \$12.38 | Fines and violations per capita |
| <u>Special revenues</u> | |
| \$23.27 | Town Special Service Area revenues per parcel (for street maintenance and snow removal). |
| <u>Other revenues</u> | |
| \$0.85 | Miscellaneous income per capita |
| <u>Revenue Adjustment Component</u> | |
| \$478,709 | Revenue adjustment component - base year |
| \$423,709 | Revenue adjustment component - projections |
| <u>Interest</u> | |
| 0.5% | Interest factor - General Fund |

Source: Stanley R. Hoffman Associates, Inc.
Town of Truckee, Estimated Actual Budget, 1994 - 1995

Property tax. The one percent property tax is levied on the taxable value of secured and unsecured property. Property tax proceeds from development in the Town are allocated among several jurisdictions, including the Town, Nevada County, school districts and fire protection districts. Based on information from Town staff indicating that the property tax allocations range from 20 to 24 percent in the Tahoe Donner subdivision and average 13.6 percent for the remainder of the Town, the average property tax allocation for the Town of Truckee is estimated at 16.8 percent of the one percent basic property tax levy. This estimate was derived as a weighted average of the 3,500 units in the Tahoe Donner subdivision at an allocation of 22 percent and the remaining 5,539 units in Truckee at a rate of 13.6 percent.

Residential valuations are projected on a per unit basis. As was shown in Table A-1 of Appendix A, average valuations for new residential units in the Town of Truckee are estimated at \$165,000 per unit for single family detached and \$65,000 per unit for multi-family attached. These valuation are based on local real estate information.

Non-residential secured valuation in Truckee is estimated at \$120.00 per building square foot for commercial retail and commercial office (based on California Board of Equalization, *Commercial Building Costs*), \$00.00 per building square foot for public, \$75.00 per building square foot for industrial/R&D (based on CFA report), \$60,000 per room for commercial hotels/motels (based on CFA report) and \$100,000 per room for resort hotels and bed and breakfasts. Unsecured valuation is estimated at \$20.00 per building square foot for all non-residential uses except hotel/motels/bed and breakfasts, which are estimated at \$10,000 unsecured valuation per room.

Property transfer tax. The property transfer tax of \$1.10 per \$1,000 of transferred value is levied on the sale of real property and is divided equally between the County of Nevada and the Town of Truckee. Residential property is estimated to transfer once every ten years, while commercial and industrial property is estimated to transfer once every twenty years. Eighty percent of the total valuation is assumed to be subject to the transfer tax to account for the equity in transferred properties.

Sales tax. Sales tax revenues are projected based on estimated taxable sales associated with future development. Taxable retail sales are estimated for commercial retail, industrial and hotel/motel/bed and breakfast land uses on annual sales per square foot basis. Based on current information from the Town staff, taxable sales per square foot factors are estimated at \$135.00 for commercial retail and \$10.00 per square foot for industrial and R&D uses. Taxable sales for motels are estimated at 25 percent of room receipts, 100 percent of room receipts for resort hotels and 50 percent of room receipts for bed and breakfast facilities.

Use tax. Use tax is levied upon the sale of goods where the sales tax is not collectible at the point of sale. For the fiscal projections, use tax is estimated based on the allocation of use tax for the last three quarters of 1993. Use tax is allocated from both

a statewide pool and a countywide pool to individual cities. The use tax factor is the ratio of the sum of statewide and countywide allocations divided by the gross direct sales tax allocation. This factor is then applied to the projected sales tax to account for future allocations of use tax.

As shown in the following table, the use tax factor is calculated at 14.21 percent of taxable transactions for 1993. A use tax factor of 14.00 percent is used in the fiscal analysis, and is applied as a percentage of the Town's total sales tax.

CALCULATION OF USE TAX FACTOR: TOWN OF TRUCKEE

| | 2nd quarter 1993 | 3rd quarter 1993 | 4th quarter 1993 | Total |
|-----------------------------------|---------------------|---------------------|---------------------|-------------|
| (A) Statewide Allocation | \$2,563 | \$2,564 | \$2,432 | \$7,559 |
| (B) Countywide Allocation | \$44,621 | \$44,621 | \$36,636 | \$125,878 |
| (C) Total Allocation (A+B) | \$47,184 | \$47,185 | \$39,068 | \$133,437 |
| (D) Gross Direct Sales Tax | \$309,424 | \$309,424 | \$319,914 | \$938,762 |
| (E) Use Tax Factor(C/D) | 0.1525 | 0.1525 | 0.1221 | 0.1421 |
| (F) Total Sales and Use Tax (C+D) | \$356,608 | \$356,609 | \$358,982 | \$1,072,199 |

Source: California State Board of Equalization, May 1994.

Transient occupancy tax. A transient occupancy tax is levied on the gross room receipts of hotels, motels and bed and breakfasts within the Town boundaries at a rate of 10.0 percent. Based on budget information and a lodging survey, an average rate of \$65 per night and an occupancy rate of 65 percent is assumed for motels, while bed and breakfast rates are assumed at \$90 per night and 60 percent occupancy. Hotel occupancy and room rates for any new resort lodging developments are assumed at 75 percent occupancy and \$100 per night.

Franchise fees. The Town receives franchise fees from Westar, a cable television provider, based on a percent of Westar's gross revenues. Franchise fees are projected at \$8.87 per housing unit, based on revenues of \$80,200 and housing units of 9,039.

Revenues from other agencies. The Town of Truckee receives a number of revenues from State subventions. As a newly incorporated Town, Truckee's population base is determined as three times the number of registered voters at the time of incorporation. This population is used for the first five full fiscal years plus an initial partial fiscal year if the effective date of incorporation is other than July 1, as is the case with Truckee. Thus, the population basis for Truckee for the first 5 fiscal years (through fiscal year 1997-1998) is 15,282 (three times the number of registered voters of 5,094). Beginning with fiscal year 1998-1999, the Town's actual population estimate will be used for State subventions. Thus, the following revenues from the Budget have been adjusted using the current population estimate of 11,791.

Motor vehicle in-lieu tax. Motor vehicle in-lieu taxes are distributed to cities and counties on a per capita basis and are estimated at \$38.02 per capita.

State gasoline tax. State gasoline tax revenues are estimated for the allocation of revenue received by cities under Sections 2105, 2106 and 2107 of the Streets and Highways Code. State gasoline tax is estimated at \$6.23 per capita for Section 2105, as of January 1, 1994, based on the full \$0.09 per gallon. Section 2106 revenue is estimated at \$7.30 per capita; and Section 2107 revenue is estimated at \$8.61 per capita. Under Section 2107, Truckee will also receive reimbursement for one half of snow removal costs. The revenues for snow removal are received the year following the removal of snow and are estimated at \$4,456 per lane mile or one half the cost of snow removal. Revenues generated by state gasoline taxes are placed in the Street Fund.

Parcel charges. Snow removal charges are collected on a parcel basis. Town staff estimates 12,000 parcels in Truckee. Based on the current housing unit estimate of 9,039, a factor of 1.47 parcels per housing unit is derived. This factor can be applied to future projections of housing units to derive the number of parcels. Parcel charges do not include those for Tahoe Donner and are estimated at \$23.27 per parcel.

Animal licenses and fees. Animal services revenues are estimated at \$1.21 per capita. In addition, revenues of \$0.07 per capita are estimated for animal control services provided to Sierra County.

Fines and violations. The revenues for fines and violations for the 1994-1995 budget year are an estimated \$12.38 per capita. Revenues for fines and violations include moving and parking violations.

Miscellaneous revenues. Miscellaneous income is estimated at \$6,450, or \$0.85 per capita.

Interest income factor. An interest factor is projected based on the ratio of estimated 1994-1995 interest earnings divided by all other general fund revenues. An annualized interest income factor of 0.6 percent is estimated, based on interest revenues of \$49,900 and all other general fund revenues estimated at \$8,431,531. Based on discussion with Town staff, an interest factor of 0.5 percent is assumed for the fiscal analysis of the general plan alternatives.

B. 2. Cost Factors

Costs are projected for general government, police protection, animal control, community development, public works, street operations and maintenance, snow removal and contribution to reserves.

As shown in Table B-2, cost factors are shown on a per unit basis and are based on cost information from the 1994-1995 Town Budget and interviews with Town staff.

Police protection. Police protection is provided by contract with the Nevada County Sheriff Department. In 1993, the Sheriff's Department Truckee Sub-Station handled 9,647 activity calls and 2,523 crime reports. The Truckee Sub-Station currently has 22 sworn officers, or 2.1 sworn officers per 1,000 population based on the Town's population estimate of 11,791. The per capita police cost is estimated at \$159.54, based on the estimated police department budget of \$1,881,100 for the fiscal year 1994-1995. It should be noted the Truckee per capita cost for police protection is very similar to the statewide city average cost of \$158.25 per capita, based on the State Controller's report, *Financial Transactions Concerning Cities of California*, Annual Report 1991-92.

Animal control. Animal control costs for the fiscal year 1994-1995 are estimated at \$177,100, or \$15.02 per capita.

Public works. The Public Works department consists of a street maintenance division, and a snow removal division. Based on staff interviews and the Town budget, the public works department services are categorized as follows:

Engineering. Engineering costs include administrative operation services costs that are not included in the other public works cost categories. Public Works Engineering costs are estimated at \$96,300 for the fiscal year 1994-1995, or 4.7 percent of total street maintenance and snow removal costs.

Street maintenance. Public works street maintenance cost factor includes costs for street maintenance and street lighting. Based on Truckee street mileage and the Town budget, a street maintenance cost of \$5,807 per lane mile is estimated.

Snow removal. Total snow removal costs are estimated at \$1,225,850 for fiscal year 1994-1995, or an estimated cost of \$8,913 per lane mile for snow removal.

Traffic signals. Based on discussion with public works staff, it was determined that the cost for operations and maintenance of traffic signals was not included in street maintenance costs. A separate cost for operations and maintenance of traffic signals is included in this fiscal analysis. Based on the consultants experience elsewhere and concurrence of the local staff, traffic signal costs are estimated at \$3,500 per signalized intersection.

**TABLE B-2
TOWN OF TRUCKEE GENERAL PLAN
COST FACTORS**

(In Constant 1994 - 1995 Dollars)

| FACTOR | EXPLANATION |
|-------------------------------------|---|
| <u>General</u> | |
| 11,791 | Truckee total population - SRHA 1994/1995 estimate |
| 9,039 | Truckee total housing units - SRHA 1994/1995 estimate |
| 5,225 | Truckee employment - SRHA 1994/1995 estimate |
| <u>Police protection</u> | |
| \$159.54 | Total police (sheriff's) costs per capita |
| <u>Animal control</u> | |
| \$15.02 | Animal control costs per capita |
| <u>Public works</u> | |
| \$5,807 | Street maintenance per lane mile |
| \$8,913 | Street snow removal per lane mile |
| \$3,500 | Operations and maintenance costs per signalized intersection |
| 4.7% | Public works engineering administration as a percent of of total street maintenance and snow removal costs |
| <u>Community Development</u> | |
| \$17.44 | Planning costs per capita (represents 50 percent of planning costs which are non-fee supported) |
| <u>Citywide costs</u> | |
| 5.0% | Contribution to reserves as a percent of total revenues |
| 17.6% | General government as a percent of direct department O & M expenditures |

Source: Stanley R. Hoffman Associates, Inc.

Town of Truckee, Estimated Actual Budget, 1994 - 1995

Community development. The Community Development Department consists of the Administration Division, the Planning Division and the Building and Safety Division.

Planning. The Planning Division is responsible for both current and advanced planning activities. The current planning activities primarily focus on the review and processing of development proposals which are partially supported by fee revenues generated during the approval process. The advanced planning activities include long range community-wide planning, such as the General Plan. Based on a net cost of \$205,600 and a population of 11,791, planning costs are estimated at \$17.44 per capita. The net cost of \$205,600 is based on 1994-1995 budget estimated expenditures of \$411,200 and that the Town is assumed to capture 50 percent of its per capita planning expenditures.

Contribution to reserves. The Town of Truckee projects a reserve fund of \$1,800,675 for June 30, 1996. The Town's reserve policy amount is \$2,182,400. The fund includes a general fund contingency reserve, a public safety liability reserve and a snow plowing contingency reserve. For future projections, the contribution to reserves cost is estimated at 5 percent of revenues.

General government. These costs are essentially overhead costs for the operations of the Town of Truckee and include the following general government activities: Town Council, Town Manager, Town Clerk, Town Attorney, Finance, and Personnel. The Town-wide overhead rate of 17.6 percent is calculated as the ratio of general government costs over direct line costs, based on general government costs estimated at \$1,017,100 and direct line costs estimated at \$5,783,250.

APPENDIX C

DETAILED REVENUE AND COST PROJECTIONS

TABLE C-1
TOWN OF TRUCKEE GENERAL PLAN
DRAFT GENERAL PLAN
DETAILED REVENUE AND COST PROJECTIONS
(In Constant 1994 - 1995 Dollars)

| <u>RECURRING REVENUES</u> | 2015 | Buildout |
|--|------------------|------------------|
| <u>PROPERTY TAX</u> | | |
| Residential | \$3,523,596 | \$4,661,216 |
| Non-residential | 574,111 | 1,346,875 |
| <u>REAL PROPERTY TRANSFER TAX</u> | | |
| Residential | 92,011 | 121,717 |
| Non-residential | 6,168 | 14,500 |
| <u>SALES AND USE TAX</u> | | |
| Commercial sales tax | 1,791,992 | 4,472,514 |
| Use tax | 250,879 | 626,152 |
| <u>TRANSIENT OCCUPANCY TAX</u> | 788,398 | 1,504,941 |
| <u>FRANCHISES FEES</u> | 117,749 | 156,336 |
| <u>REVENUE FROM OTHER AGENCIES</u> | | |
| State gasoline tax: 2105 | 107,479 | 140,166 |
| State gasoline tax: 2106 | 125,904 | 164,194 |
| State gasoline tax: 2107 | 148,572 | 193,756 |
| State gasoline tax: 2107 snow | 716,416 | 863,268 |
| Motor vehicle license fees | 655,930 | 855,412 |
| <u>LICENSES</u> | | |
| Animal licenses | 20,807 | 27,135 |
| Animal control for Sierra County | 1,244 | 1,622 |
| <u>FINES AND VIOLATIONS</u> | 213,632 | 278,602 |
| <u>TOWN SPECIAL SERVICE AREA</u> | 453,921 | 602,674 |
| <u>MISCELLANEOUS REVENUE</u> | 14,632 | 19,082 |
| <u>INTEREST</u> | <u>45,972</u> | <u>76,833</u> |
| REVENUE SUBTOTAL | \$9,649,414 | \$16,126,996 |
| <u>REVENUE ADJUSTMENT COMPONENT</u> | \$423,709 | \$423,709 |
| TOTAL REVENUES | \$10,073,123 | \$16,550,705 |
| <u>RECURRING COSTS</u> | | |
| <u>POLICE DEPARTMENT</u> | \$2,752,491 | \$3,589,581 |
| <u>PUBLIC WORKS DEPARTMENT</u> | | |
| Engineering administration | 113,976 | 137,794 |
| Street maintenance | 933,588 | 1,124,955 |
| Signalized intersections | 38,500 | 56,000 |
| Snow removal | 1,432,832 | 1,726,535 |
| <u>PLANNING</u> | 300,841 | 392,333 |
| <u>ANIMAL CONTROL</u> | 259,139 | 337,948 |
| <u>CITYWIDE COSTS</u> | | |
| Contribution to reserves | 503,656 | 827,535 |
| General government overhead | <u>1,114,140</u> | <u>1,440,847</u> |
| TOTAL COSTS | \$7,449,162 | \$9,633,530 |

Source: Stanley R. Hoffman Associates, Inc.
Town of Truckee, Estimated Actual Budget, 1994 - 1995

TABLE C-2
TOWN OF TRUCKEE GENERAL PLAN
HIGH VOLUME/DISCOUNT RETAIL ALTERNATIVE
DETAILED REVENUE AND COST PROJECTIONS
(In Constant 1994 - 1995 Dollars)

| | 2015 | Buildout |
|--|------------------|------------------|
| <u>RECURRING REVENUES</u> | | |
| <u>PROPERTY TAX</u> | | |
| Residential | \$3,523,596 | \$4,661,216 |
| Non-residential | 613,203 | 1,346,875 |
| <u>REAL PROPERTY TRANSFER TAX</u> | | |
| Residential | 92,011 | 121,717 |
| Non-residential | 6,590 | 14,500 |
| <u>SALES AND USE TAX</u> | | |
| Commercial sales tax | 2,159,992 | 4,681,514 |
| Use tax | 302,399 | 655,412 |
| <u>TRANSIENT OCCUPANCY TAX</u> | 788,398 | 1,504,941 |
| <u>FRANCHISES FEES</u> | 117,749 | 156,336 |
| <u>REVENUE FROM OTHER AGENCIES</u> | | |
| State gasoline tax: 2105 | 107,479 | 140,166 |
| State gasoline tax: 2106 | 125,904 | 164,194 |
| State gasoline tax: 2107 | 148,572 | 193,756 |
| State gasoline tax: 2107 snow | 716,588 | 862,910 |
| Motor vehicle license fees | 655,930 | 855,412 |
| <u>LICENSES</u> | | |
| Animal licenses | 20,807 | 27,135 |
| Animal control for Sierra County | 1,244 | 1,622 |
| <u>FINES AND VIOLATIONS</u> | 213,632 | 278,602 |
| <u>TOWN SPECIAL SERVICE AREA</u> | 453,921 | 602,674 |
| <u>MISCELLANEOUS REVENUE</u> | 14,632 | 19,082 |
| <u>INTEREST</u> | <u>48,171</u> | <u>77,972</u> |
| REVENUE SUBTOTAL | \$10,110,819 | \$16,366,037 |
| <u>REVENUE ADJUSTMENT COMPONENT</u> | \$423,709 | \$423,709 |
| TOTAL REVENUES | \$10,534,528 | \$16,789,746 |
| <u>RECURRING COSTS</u> | | |
| <u>POLICE DEPARTMENT</u> | | |
| <u>PUBLIC WORKS DEPARTMENT</u> | \$2,752,491 | \$3,589,581 |
| Engineering administration | 114,003 | 137,738 |
| Street maintenance | 933,812 | 1,124,489 |
| Signalized intersections | | |
| Snow removal | 1,433,176 | 1,725,820 |
| <u>PLANNING</u> | 300,841 | 392,333 |
| <u>ANIMAL CONTROL</u> | 259,139 | 337,948 |
| <u>CITYWIDE COSTS</u> | | |
| Contribution to reserves | 526,726 | 839,487 |
| General government overhead | <u>1,118,302</u> | <u>1,442,731</u> |
| TOTAL COSTS | \$7,476,989 | \$9,646,129 |

Source: Stanley R. Hoffman Associates, Inc.
Town of Truckee, Estimated Actual Budget, 1994 - 1995

TABLE C-3
TOWN OF TRUCKEE GENERAL PLAN
LOW GROWTH ALTERNATIVE
DETAILED REVENUE AND COST PROJECTIONS
(In Constant 1994 - 1995 Dollars)

| | 2015 | Buildout |
|--|------------------|------------------|
| <u>RECURRING REVENUES</u> | | |
| <u>PROPERTY TAX</u> | | |
| Residential | \$3,523,596 | \$4,488,629 |
| Non-residential | 574,111 | 1,209,320 |
| <u>REAL PROPERTY TRANSFER TAX</u> | | |
| Residential | 92,011 | 117,211 |
| Non-residential | 6,168 | 13,014 |
| <u>SALES AND USE TAX</u> | | |
| Commercial sales tax | 1,791,992 | 3,928,262 |
| Use tax | 250,879 | 549,957 |
| <u>TRANSIENT OCCUPANCY TAX</u> | 788,398 | 1,504,941 |
| <u>FRANCHISES FEES</u> | 117,749 | 151,501 |
| <u>REVENUE FROM OTHER AGENCIES</u> | | |
| State gasoline tax: 2105 | 107,479 | 136,055 |
| State gasoline tax: 2106 | 125,904 | 159,379 |
| State gasoline tax: 2107 | 148,572 | 188,074 |
| State gasoline tax: 2107 snow | 716,416 | 849,520 |
| Motor vehicle license fees | 655,930 | 830,327 |
| <u>LICENSES</u> | | |
| Animal licenses | 20,807 | 26,339 |
| Animal control for Sierra County | 1,244 | 1,574 |
| <u>FINES AND VIOLATIONS</u> | 213,632 | 270,432 |
| <u>TOWN SPECIAL SERVICE AREA</u> | 453,921 | 584,033 |
| <u>MISCELLANEOUS REVENUE</u> | 14,632 | 18,523 |
| <u>INTEREST</u> | <u>45,972</u> | <u>71,936</u> |
| REVENUE SUBTOTAL | \$9,649,414 | \$15,099,027 |
| <u>REVENUE ADJUSTMENT COMPONENT</u> | \$423,709 | \$423,709 |
| TOTAL REVENUES | \$10,073,123 | \$15,522,736 |
| <u>RECURRING COSTS</u> | | |
| <u>POLICE DEPARTMENT</u> | \$2,752,491 | \$3,484,315 |
| <u>PUBLIC WORKS DEPARTMENT</u> | | |
| Engineering administration | 113,976 | 135,642 |
| Street maintenance | 933,588 | 1,107,041 |
| Signalized intersections | 38,500 | 56,000 |
| Snow removal | 1,432,832 | 1,699,041 |
| <u>PLANNING</u> | 300,841 | 380,828 |
| <u>ANIMAL CONTROL</u> | 259,139 | 328,038 |
| <u>CITYWIDE COSTS</u> | | |
| Contribution to reserves | 503,656 | 776,137 |
| General government overhead | <u>1,114,140</u> | <u>1,401,163</u> |
| TOTAL COSTS | \$7,449,162 | \$9,368,204 |

Source: Stanley R. Hoffman Associates, Inc.

Town of Truckee, Estimated Actual Budget, 1994 - 1995

TABLE C-4
TOWN OF TRUCKEE GENERAL PLAN
NO PROJECT ALTERNATIVE
DETAILED REVENUE AND COST PROJECTIONS
(In Constant 1994 - 1995 Dollars)

| | Buildout |
|--|------------------|
| <u>RECURRING REVENUES</u> | |
| <u>PROPERTY TAX</u> | |
| Residential | \$3,711,271 |
| Non-residential | 264,731 |
| <u>REAL PROPERTY TRANSFER TAX</u> | |
| Residential | 96,912 |
| Non-residential | 2,865 |
| <u>SALES AND USE TAX</u> | |
| Commercial sales tax | 1,238,484 |
| Use tax | 173,388 |
| <u>TRANSIENT OCCUPANCY TAX</u> | 577,000 |
| <u>FRANCHISES FEES</u> | 115,691 |
| <u>REVENUE FROM OTHER AGENCIES</u> | |
| State gasoline tax: 2105 | 110,579 |
| State gasoline tax: 2106 | 129,535 |
| State gasoline tax: 2107 | 152,857 |
| State gasoline tax: 2107 snow | 733,684 |
| Motor vehicle license fees | 674,847 |
| <u>LICENSES</u> | |
| Animal licenses | 21,407 |
| Animal control for Sierra County | 1,280 |
| <u>FINES AND VIOLATIONS</u> | 219,793 |
| <u>TOWN SPECIAL SERVICE AREA</u> | 445,986 |
| <u>MISCELLANEOUS REVENUE</u> | 15,054 |
| <u>INTEREST</u> | <u>41,577</u> |
| REVENUE SUBTOTAL | \$8,726,942 |
| <u>REVENUE ADJUSTMENT COMPONENT</u> | \$423,709 |
| TOTAL REVENUES | \$9,150,651 |
| <u>RECURRING COSTS</u> | |
| <u>POLICE DEPARTMENT</u> | \$2,831,873 |
| <u>PUBLIC WORKS DEPARTMENT</u> | |
| Engineering administration | 116,679 |
| Street maintenance | 956,091 |
| Signalized intersections | 38,500 |
| Snow removal | 1,467,368 |
| <u>PLANNING</u> | 309,517 |
| <u>ANIMAL CONTROL</u> | 266,612 |
| <u>CITYWIDE COSTS</u> | |
| Contribution to reserves | 457,533 |
| General government overhead | <u>1,133,337</u> |
| TOTAL COSTS | \$7,577,511 |

Source: Stanley R. Hoffman Associates, Inc.
Town of Truckee, Estimated Actual Budget, 1994 - 1995

APPENDIX D
PERSONS AND AGENCIES CONTACTED

APPENDIX D
PERSONS AND AGENCIES CONTACTED

COMMUNITY DEVELOPMENT DEPARTMENT

Tony Lashbrook, Director
Elizabeth Eddins, Town Planner
Town Hall
11570 Donner Pass Road
Truckee, CA 96161
916/582-7700; Fax 916/582-7710

TOWN MANAGER

Steve Wright
Town Hall
11570 Donner Pass Road
Truckee, CA 96161
916/582-7700; Fax 916/582-7710

FINANCE DEPARTMENT

Jill Brown, Finance Director
Town Hall
P.O. Box 2884
Truckee, CA 96160
916/582-7700; Fax 916/582-7710

SHERIFF'S DEPARTMENT

Jack Bayer, Captain
Eastern Nevada County Building
10879 Donner Pass Road
Truckee, CA 96161
916/582-7838; Fax 916/587-5041

ANIMAL CONTROL

Tony Lashbrook, Director
Community Development Department
Town Hall
11570 Donner Pass Road
Truckee, CA 96161
916/582-7700; Fax 916/582-7710

PUBLIC WORKS DEPARTMENT

John Landers, Director
Clay Castleberry, Interim Director
Town Hall
11570 Donner Pass Road
Truckee, CA 96160
916/582-7700; Fax 916/582-7710

TRUCKEE FIRE PROTECTION DISTRICT

Jim Osburn, Chief
10049 Donner Pass Road
Truckee, CA 96161
916/582-7850; Station 2: 916/582-7856
Fax 916/582-7854

TRUCKEE-DONNER RECREATION AND PARK DISTRICT

Steve Randall, General Manager
Community Center
10046 Church Street
Truckee, CA 96161
916/587-3587; Fax 916/587-0559

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